GDDY gideon lens

GoDaddy Inc. (GDDY) - Gideon-Lens Equity Research

Date: 2026-05-09. Analyst: Codex. Current price: $91.02, latest available market quote from 2026-05-08. Fiscal year ends December 31. Market cap should be refreshed from live market data before trading because the share count is moving quickly through buybacks.

VERDICT BLOCK

Verdict: WATCH

Scorecard:

Gate	Result	Notes
Management	PASS	Proven FCF-per-share allocator; governance clean; disclosure mostly candid.
Moat	YELLOW	Core moat real; A&C and 2046 AI durability unproven.
P/E <= 15 on confident EPS at TTM + 5 calendar years	PASS	Base cushion 97.6%; bear cushion only 3.2%.
Compounder Score	Audited 61 / 100	61/100; Watchlist because GoDaddy has strong cash generation and a real Core moat, but audited evidence does not prove a clean high-ROIIC reinvestment runway or a base-case 20% return.
Business Quality Score	Audited 54 / 80	54/80; good but capped by incomplete ROIIC/reinvestment measurement, product-level A&C/Airo disclosure gaps, YELLOW moat and 2046 tests, material SBC, and buyback dependence.
20% Return UW Score	Audited 7 / 20	7/20; base-case EPS of $11.99 at a 15x exit P/E implies about 14.6% annualized from $91.02, so the 20% case requires a lower entry price, higher EPS, bull execution, or multiple support.

One-line thesis (or reason to pass): GoDaddy is cheap on the base-case P/E-15 math and very well managed, but the moat is not yet clean enough for a BUY because A&C/Airo durability and 2046 open-internet relevance remain live questions.

Kill / trigger criteria:

- BUY trigger: upgrade if A&C stays at or above high-single-digit revenue growth for two more quarters, Airo / A&C monetization becomes visible beyond bookings anecdotes, and shares remain below roughly $130, preserving a base-case P/E-15 cushion above 35%.
- PASS triggers: A&C revenue growth below 8.0% YoY for two consecutive quarters unless A&C Segment EBITDA margin is at least 46.0% and total bookings growth reaccelerates above 6.0%; Core Platform revenue turns negative; or buybacks continue aggressively above intrinsic-value-sensitive prices while bookings and ARR decelerate.
- Upgrade to BUY conditions: Moat gate moves from YELLOW to PASS through evidence that Airo / ANS expands, rather than merely defends, the domain funnel; product-level disclosure improves; and the P/E-15 base case remains comfortably positive.

Position sizing if bought: 0% as a strict ER2 BUY today; if the mandate allows WATCH positions, 1% maximum starter size because valuation is compelling but moat confidence is not yet Gideon-clean.

Stage 0 - Time anchor

Today is 2026-05-09. GoDaddy's fiscal year ends December 31. The most recently reported quarter is Q1 2026, ended 2026-03-31 and reported 2026-04-30. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, giving TTM ending 2026-03-31. The forward horizon is exactly five calendar years from that TTM endpoint: 2031-03-31. All forward "FY+5" references in this report mean that horizon, not FY2025 plus five fiscal years.

Stage 1 - Disqualifier sweep

ROIC persistently >=15% is green/yellow: the data package's rough ROIC work improved materially and FY2025 looked strong, but accounting optics are affected by leverage, buybacks, intangibles, and negative book-equity dynamics. FCF conversion is green: TTM official free cash flow was $1.6759B. Net debt / EBITDA is green at about 1.58x TTM NEBITDA. End-markets are yellow/green: small-business digital identity is durable, but Core is low-growth and A&C faces intense specialist competition. Governance is green: no dual-class control, no related-party issue, independent board structure, and effective controls. AI disruption is yellow: Airo may lift conversion, but AI-native workflows can also attack website, marketing, and commerce setup. Pricing power is yellow/green: ARPU, retention, and margins support some power, but customers are price sensitive and alternatives are visible.

Management

Management earns a PASS. Aman Bhutani has been CEO since September 2019, long enough to own the strategy, and Mark McCaffrey has been CFO since June 2021, long enough to own the capital allocation discipline. The record is unusually clean for a mid-growth internet business: from FY2021 to FY2025, revenue rose from $3.816B to $4.951B, operating margin expanded from 10.0% to 22.9%, free cash flow rose to $1.576B, and diluted share count fell materially. The company has avoided large recent M&A, paid no dividend, kept leverage moderate, invested heavily enough in technology and development, and returned excess cash through buybacks. Governance is also clean: independent board chair, independent committees, no dual-class structure, no material related-party transaction flag, and effective internal controls. The two watch items are real but not disqualifying: buybacks look systematic rather than clearly opportunistic, and Airo / A&C product-level revenue disclosure remains thin.

Moat

The moat gate is YELLOW, and that is the reason this is not a BUY despite the valuation math. Core Platform has a real moat: domains, renewals, brand, trust, support, scale, ICANN/registry operating complexity, and the inconvenience of moving small-business digital infrastructure. That moat is visible in retention and in Core Segment EBITDA margin expansion even while revenue growth slowed. Applications and Commerce is economically attractive but less protected. Its moat is GoDaddy's distribution at the domain-search moment, bundle convenience, customer support, and "good enough in one place" value for microbusinesses; it is not best-in-class product superiority against Shopify, Wix, Squarespace, Stripe, Microsoft, Google, and AI-native workflow vendors. The 2046 test is also YELLOW. A credible 2046 GoDaddy exists if domains, verified identity, agent naming, and open-internet small-business tools remain important. The concrete bear case is that closed AI ecosystems and AI-native business platforms reduce the need for independent domains, websites, and starter website-builder workflows.

Stage 5 synthesis - headline numbers

The synthesis uses official SEC / GoDaddy segment tables as controlling data because the FMP quarterly product-segmentation endpoint for GDDY is broken. That override is user-authorized and fully documented in the quant foundation and QFR review. The model starts from TTM revenue of $5.0237B, operating income of $1.1905B, net income of $0.8701B, free cash flow of $1.6759B, A&C revenue of $1.9408B, and Core Platform revenue of $3.0829B.

The base case reaches $6.496B of revenue by 2031-03-31, a 5.3% CAGR from TTM. A&C contributes most of the incremental growth: $1.9408B to $2.874B, while Core grows from $3.0829B to $3.622B. Because GoDaddy does not disclose segment operating income, the synthesis uses Segment EBITDA proxies from the segment appendices and subtracts a corporate / D&A / SBC / other reconciliation expense to reach GAAP operating income. Base operating income is $1.763B, net income is $1.266B, and EPS is $11.99 on a modeled 105.6M diluted share count. Required EPS for a P/E of 15 at $91.02 is $6.07, so the base case clears with a 97.6% cushion. The bear case barely clears: $6.26 EPS, $93.94 at 15x, and only a 3.2% cushion. All 11 synthesis tie-out checks passed.

Case	Revenue	OI	NI	EPS	EPS x 15	Cushion
Bear	$5.524B	$1.088B	$0.725B	$6.26	$93.94	3.2%
Base	$6.496B	$1.763B	$1.266B	$11.99	$179.84	97.6%
Bull	$7.318B	$2.353B	$1.740B	$17.19	$257.92	183.4%

This is an attractive arithmetic setup, but not a clean compounder setup. The share-count path matters: base diluted shares fall from 134.3M to 105.6M over five years. Without that buyback path, base EPS would be $9.43 rather than $11.99.

Buybacks are supported by FCF and management history, but they are not a moat; they are a capital allocation amplifier.

Red team

The strongest bear argument is that GoDaddy is a cash-rich registrar whose growth story depends on turning the domain funnel into an AI-enabled SMB software platform just as AI reduces the scarcity value of starter websites and specialists capture the best commerce economics. The most fragile assumption is A&C sustaining an 8.2% five-year CAGR and expanding Segment EBITDA proxy margin to 47.0% without product-level revenue disclosure for Airo, Websites, Commerce, Payments, or Email/Productivity. The most likely optimistic Stage 5 number is the base 105.6M share count, which needs $5B of buybacks at favorable prices and renewed authorization while A&C and FCF continue performing. The exit signal is precise: A&C revenue growth below 8.0% YoY for two consecutive quarters unless margin and bookings improve at the same time.

Kill / trigger criteria

- Upgrade toward BUY if A&C holds at least high-single-digit growth, Airo / ANS converts from operating proof points into visible revenue or cohort evidence, and Core revenue stays positive with Core Segment EBITDA margin stable or expanding.
- Downgrade to PASS if A&C slips below 8.0% YoY for two consecutive quarters without offsetting bookings and margin strength.
- Downgrade to PASS if Core Platform revenue turns negative or Core Segment EBITDA margin rolls over while registrar competition intensifies.
- Downgrade to PASS if buybacks remain large but become valuation-insensitive, especially if FCF growth and bookings slow.
- Re-run valuation if the share price approaches $130 without better moat evidence; the P/E-15 cushion would still exist, but position sizing would become less forgiving.

Analyst flags

The biggest data flag is explicit: FMP's GDDY quarterly product-segmentation endpoint is broken and was excluded. Official SEC / GoDaddy segment tables control under the user's primary-source override. Segment operating income is not disclosed; GoDaddy reports Segment EBITDA, so the synthesis uses a bridge to GAAP operating income. Product-level revenue is also thin: Airo, Websites, Commerce, Payments, Email/Productivity, Hosting, Security, and many Core sub-products are not disclosed as multi-year GAAP revenue lines. The moat appendix was drafted before the final segment appendices completed, though it used the same reviewed data package and reached a conservative YELLOW verdict that the later segment work did not overturn.

Appendix A - Company Primer

GoDaddy Inc. (GDDY) - Company Primer

Date prepared: 2026-05-09

This appendix is a reader-facing company primer for the ER2 / Gideon run on GoDaddy Inc. The financial spine is the reviewed quantitative foundation in `quant_foundation.md`, which is the primary source for all revenue, margin, cash-flow, balance-sheet, share-count, and TTM figures in this document. At primer drafting time, `data_package.md` was not yet available in the GoDaddy workdir; accordingly, qualitative context is drawn from live primary SEC filings and GoDaddy earnings releases, while financial figures remain anchored to the QF. The QF also documents the important data-quality caveat for this run: FMP's quarterly revenue-product-segmentation endpoint is unreliable for GoDaddy, including a zero-revenue Q4 2025 row and mixed/cumulative-looking rows. That is a data vendor issue, not a business fact. Official SEC and GoDaddy segment tables are controlling throughout this primer.

1. Business Overview

GoDaddy is a scaled internet infrastructure and small-business software platform built around a simple customer job: help entrepreneurs and small organizations name an idea, get online, look credible, transact, and keep operating without needing enterprise-grade technical resources. The company is best known as a domain registrar, but the current business is broader than domain registration. It sells domains, aftermarket domains, domain protection, website hosting, website security, website-builder software, digital marketing tools, business email and productivity products, commerce software, payment processing, point-of-sale hardware, and guided support.

GoDaddy's customer base is heavily weighted toward microbusinesses, independents, creators, tradespeople, side projects, and small organizations. The 2025 10-K describes the core customer need as identity, presence, and commerce. Customers need a name and online identity, a place to present themselves across websites and digital channels, and increasingly a way to accept payments and manage sales across online and offline environments. That framing matters because GoDaddy is not primarily selling to CIOs with formal procurement processes. It is selling to customers with limited time, limited technical skill, and a high preference for simplicity, bundled functionality, and human assistance when something breaks or becomes confusing.

GoDaddy describes three major customer populations. The largest is small independent entrepreneurs and organizations trying to get an idea online. The second is WebPros: designers and developers who build sites for clients and want tools such as WordPress, Managed WordPress, control panels, client management, and reseller-like workflows. The third is domain investors, who own portfolios of domain names and provide liquidity to secondary domain markets. This mix makes the business partly self-serve consumerized software, partly SMB operating system, and partly internet naming infrastructure.

The buying motion is mostly direct and digital. Customers typically discover GoDaddy through brand awareness, search, direct-response marketing, domain search, renewal flows, email campaigns, referrals, and GoDaddy's own web properties. They can buy online with little human intervention, then add products over time as their needs evolve. GoDaddy also has a significant guided support layer: the 2025 10-K says GoDaddy Guides include approximately 5,700 specialists worldwide. This matters for conversion and retention because many customers are not technical. The support motion is not just post-sale service; management describes Guides as a way to recommend appropriate products as customers move through their business lifecycle.

As of year-end 2025, GoDaddy had 20.4 million paying customers and approximately 81 million domains under management. The Q1 2026 release reported total customers still at 20.4 million, up 13 thousand from December 31, 2025. The company sold to customers in more than 200 markets, and the 2025 10-K said 48% of the customer base and roughly one-third of revenue came from outside the United States. International revenue was 33% of total revenue in FY2025, up modestly from 32% in FY2024 and FY2023.

Economically, GoDaddy looks like a subscription-heavy internet services company with a large deferred revenue base and a cash-generative renewal engine. Most product subscriptions can range from monthly terms to multi-year terms up to ten years depending on product. Consideration is generally received at the time of sale and recorded as deferred revenue, with most product revenue recognized ratably over the contract term. Payment processing fees and aftermarket domain revenue are more transactional: payment fees are recognized at the time of the transaction, while aftermarket domain revenue is recognized when control of the domain transfers to the buyer. This mix creates an important distinction between bookings,

revenue, deferred revenue, and cash flow.

2. Revenue Architecture

GoDaddy reports two operating segments: Applications and Commerce (A&C) and Core Platform (Core). The QF uses official SEC/GoDaddy segment tables as the controlling source. FY2025 total revenue was $4,951.1 million. A&C generated $1,889.0 million, or 38.2% of revenue. Core generated $3,062.1 million, or 61.8% of revenue. TTM revenue through March 31, 2026 was $5,023.7 million, comprising $1,940.8 million of A&C revenue and $3,082.9 million of Core revenue.

Applications and Commerce

A&C is the software-and-commerce layer that helps a customer build and operate a digital business after they have the idea or domain. The 10-K describes A&C as products containing proprietary software, notably website building products, proprietary commerce solutions, third-party email and productivity solutions, and certain bundled products included with proprietary software offerings. In ordinary language, this is where GoDaddy sells the tools that make a business look and function online: Websites + Marketing, online stores, marketing tools, Microsoft 365 and productivity solutions, scheduling, invoicing, payment acceptance, point-of-sale devices, and commerce capabilities.

A&C is the faster-growing segment. FY2025 A&C revenue grew 14.3% from $1,653.0 million in FY2024 to $1,889.0 million in FY2025. The QF shows Q1 2026 A&C revenue of $498.2 million, up from $446.4 million in Q1 2025, and TTM A&C revenue of $1,940.8 million. A&C represented 38.2% of FY2025 revenue and 38.6% of TTM revenue. This segment is where the company is trying to deepen ARPU, increase customer utility, and move from domain-led entry to operating-system-like customer engagement.

The product logic is straightforward. A small business that buys a domain may also need a website, a logo, search visibility, social content, business email, appointments, invoicing, an online store, in-person and online payment acceptance, and basic operating tools. If GoDaddy can provide these in one place with low friction, it can capture more spend from an existing customer and improve retention. That cross-sell motion is the strategic heart of A&C.

Core Platform

Core Platform is the internet identity and infrastructure base. The 10-K describes Core as domain registrations and renewals, aftermarket domain sales, domain protection, website hosting, website security products when not bundled into proprietary software products, and products not containing a software component. In plain terms, this segment sells the name, the registry/registrar plumbing, the website hosting environment, and the basic security layer that lets a customer establish and maintain an online presence.

Core is still the larger segment. FY2025 Core revenue was $3,062.1 million, or 61.8% of total revenue, up 4.9% from $2,920.2 million in FY2024. Q1 2026 Core revenue was $768.7 million, up 2.8% year over year. TTM Core revenue was $3,082.9 million, or 61.4% of TTM revenue. Within FY2025 Core, the 10-K disaggregated revenue into $2,310.5 million of domains and $751.6 million of other Core revenue. That means domains were roughly three-quarters of Core revenue and about 47% of consolidated FY2025 revenue.

Core's role in the company is larger than its revenue growth rate suggests. It is the front door to many customer relationships. A domain search is often the first commercial interaction between an entrepreneur and GoDaddy. The company reported roughly 81 million domains under management as of December 31, 2025 and cited a roughly 21% share of approximately 387 million registered domains worldwide based on VeriSign's Domain Name Industry Brief. The 10-K also said approximately 94% of customers purchased a domain from GoDaddy. For an ER2 analysis, Core is therefore both a mature revenue pool and a customer-acquisition asset for A&C.

Geography

Geographically, GoDaddy remains U.S.-skewed but meaningfully international. FY2025 international revenue represented approximately 33% of total revenue. Q1 2026 international revenue was $415.9 million, up 7.0% year over year, and represented roughly 32.8% of Q1 2026 revenue. The 10-K says GoDaddy sells to customers in more than 200 markets and had approximately 9.8 million customers outside the U.S. at year-end 2025. International expansion can extend the growth runway, but it also brings localization, payment acceptance, customer support, compliance, domain accreditation, privacy, competition, and price-level risks.

3. Unit Economics

GoDaddy's consolidated FY2025 economics were strong. Per the QF, FY2025 revenue was $4,951.1 million, operating income was $1,127.3 million, and operating margin was 22.8%. TTM revenue through March 31, 2026 was $5,023.7 million, operating income was $1,190.5 million, and TTM free cash flow was $1,675.9 million. The QF also shows TTM normalized EBITDA of $1,635.0 million.

The most important accounting and economic point is that GoDaddy has a large prepaid subscription component. Customers often pay at sale or renewal, revenue is deferred, and most subscription revenue is recognized over the contract term. This is why operating cash flow and free cash flow can be very strong relative to net income or operating income in a given period. At Q1 2026, QF showed deferred revenue of $2,486.5 million and net debt of $2,586.4 million. The business is not capital intensive in the industrial sense; the major cost categories are registry/domain costs, third-party product costs, payment processing costs, technology and development, marketing, customer care, and corporate overhead.

For FY2025, consolidated cost of revenue excluding depreciation and amortization was $1,801.5 million, or 36.4% of revenue. Technology and development was $841.5 million, or 17.0%. Marketing and advertising was $375.1 million, or 7.6%. Customer care was $289.1 million, or 5.8%. General and administrative was $388.9 million, or 7.9%. Depreciation and amortization was only $116.6 million, or 2.3% of revenue. This cost profile says the business consumes a meaningful gross cost load, especially from domain-related and third-party service inputs, but does not require heavy physical capital expenditure to grow.

Segment profitability is measured using Segment EBITDA, not segment operating income. GoDaddy does not disclose segment operating income, cost of revenue, or operating expenses by segment. That means an investor should not over-interpret segment margin as a fully burdened operating margin. Still, Segment EBITDA is useful for understanding the relative economics of A&C and Core before unallocated corporate items, depreciation and amortization, equity compensation, interest, taxes, and certain other items.

A&C economics

FY2025 A&C Segment EBITDA was $856.9 million on $1,889.0 million of revenue, a 45.4% Segment EBITDA margin. TTM A&C Segment EBITDA was $885.2 million on $1,940.8 million of revenue, a similar 45.6% margin. Q1 2026 A&C Segment EBITDA was $225.2 million on $498.2 million of revenue, or 45.2%. The margin profile is high because the segment includes software-like products and commerce tools that can scale across a large customer base. However, A&C is not pure software gross margin. It includes third-party email/productivity solutions, payments-related transaction costs, point-of-sale and commerce costs, and marketing and development investment.

A dollar of A&C revenue begins as a website-builder, software subscription, productivity product, commerce feature, or payment transaction. The highest-quality dollars are likely proprietary software subscriptions that are sold to existing customers and recognized ratably with limited incremental cost. The lower-margin or more variable dollars likely include third-party productivity products and payment processing fees, where GoDaddy must share economics with partners or incur transaction-level costs. The strategic question for A&C is whether GoDaddy can keep converting the domain customer base into higher-ARPU, sticky, software-led relationships while avoiding a margin drag from payments and third-party inputs.

Core economics

FY2025 Core Segment EBITDA was $1,010.3 million on $3,062.1 million of revenue, a 33.0% Segment EBITDA margin. TTM Core Segment EBITDA was $1,028.5 million on $3,082.9 million of revenue, a 33.4% margin. Q1 2026 Core Segment EBITDA was $253.5 million on $768.7 million of revenue, or 33.0%. Core margins are lower than A&C but still attractive for an infrastructure and subscription renewal business.

A dollar of Core revenue typically comes from domain registrations/renewals, aftermarket domain sales, domain protection, hosting, website security, or other non-software products. Domain revenue has registry fees, ICANN surcharges, and registrar operating costs. Hosting has infrastructure and support costs. Website security can include third-party components. Core also carries customer acquisition and support costs because domains are a major entry product. The segment's growth is slower than A&C, but its scale, renewal behavior, and customer acquisition role make it the foundation of the business model.

4. Customer Retention, ARPU, and the Flywheel

GoDaddy's model works best when a customer starts with a domain and then adds products as needs develop. The 10-K said customer retention was approximately 85% in each of the five years ended December 31, 2025, except FY2024 when retention was approximately 84% due to divestitures, migrations, and end-of-life activity. It also said customers with more than three years of tenure had approximately 90% retention at December 31, 2025. More than 89% of FY2025 revenue was generated by customers who were also customers in the prior year, and more than 2.0 million customers each spent more

than $500 a year on GoDaddy products.

Those figures frame the revenue engine. The customer count is not growing rapidly: FY2025 ended with 20.422 million customers versus 20.511 million at FY2024 and 21.026 million at FY2023, and Q1 2026 ended at 20.4 million. Yet ARPU is rising. FY2025 ARPU was $242 versus $220 in FY2024 and $203 in FY2023. Q1 2026 ARPU was $246 versus $225 in Q1 2025. The business is therefore more dependent on monetizing the existing base and increasing spend per customer than on adding large numbers of net new customers.

This is not automatically bad. A mature customer base with high renewal rates, increasing ARPU, and strong free cash flow can be highly valuable. But it changes the investment question. The bull case needs A&C adoption, domain pricing, aftermarket activity, payments, AI-assisted product creation, and cross-sell to more than offset slow or flat customer-count growth. The bear case is that GoDaddy becomes a high-cash-flow but lower-growth registrar whose A&C cross-sell cannot sustain double-digit segment growth.

5. Product Strategy and AI

GoDaddy is positioning AI as a way to reduce friction for entrepreneurs. Management's Q1 2026 release said the company is moving quickly in AI-driven innovation and focusing on helping entrepreneurs turn ideas into real businesses faster and more easily. The 10-K describes Airo agents that can help with domain search and naming, logo creation, website build, marketing, compliance, and conversational publishing. Q1 2026 commentary said Airo AI Builder had strong early adoption and monetization, reaching a multi-million dollar annualized bookings run rate within weeks of beta launch.

For a primer, the key is not to treat AI as a separate segment. It is better understood as a product-layer and conversion-layer improvement across GoDaddy's existing funnel. If Airo makes it easier to find a name, generate a logo, build a website, publish content, accept payments, and handle compliance steps, then it could increase conversion from domain search to paid products and raise A&C attach rates. It may also lower support intensity by making complex tasks easier for nontechnical users. Conversely, AI website creation and AI-enabled coding tools could increase competition by making it easier for customers to build elsewhere. The same technology that may improve GoDaddy's funnel could also reduce switching costs or create new substitutes.

GoDaddy is also talking about the "agentic open internet" and Agent Name Service (ANS), including Q1 2026 partnerships with LegalZoom and Cloudflare. This is early and should not be capitalized as a mature revenue stream. Strategically, it fits GoDaddy's identity-and-naming heritage: if software agents need trusted names, credentials, or identity infrastructure, GoDaddy wants a role. For ER2 purposes, this is an option, not a base-rate earnings pillar.

6. Competitive Landscape

GoDaddy competes across several overlapping markets rather than one clean category. In domains and hosting, competitors include registrars, hosting providers, domain marketplaces, certificate/security providers, and infrastructure platforms. The 10-K lists Newfold Digital, Namecheap, Tucows, Dynadot, GMO, Cloudflare, Let's Encrypt, SEDO, Comodo, Hostinger, and Identity Digital for Core Platform products. For A&C, it lists Shopify, Block, BigCommerce, Stripe, PayPal, Liquid Web, SiteGround, WP Engine, Zoho, Mindbody, Toast, Yelp, OpenTable, TikTok, Meta, and WeChat. It also names Wix, Squarespace, Automattic, Ionos, Google, Amazon, Microsoft, Alibaba, and Tencent as competitors across both segments.

The breadth of that list is important. GoDaddy's advantage is not that it has the best specialized product in every category. Shopify is a deeper commerce platform for many merchants. Wix and Squarespace are strong website builders. Cloudflare is a formidable infrastructure and security player. Microsoft controls a key productivity suite. Stripe, PayPal, Block, and others are payments specialists. GoDaddy's proposition is convenience, trust, bundling, guidance, and being present at the moment of naming and business formation.

The central competitive question is whether GoDaddy's entry position in domains and its brand are enough to win incremental small-business software spend. The company's scale gives it search data, domain inventory, cross-sell surface area, and brand recognition. Its 20.4 million customer base gives it a large installed base to monetize. But many adjacent markets have strong vertical specialists. That means the investment case should assume steady competitive pressure and avoid extrapolating A&C growth without checking attach, retention, and pricing evidence.

7. Capital Intensity, Balance Sheet, and Capital Allocation

GoDaddy is highly cash generative. The QF shows TTM operating cash flow of $1,666.2 million and TTM free cash flow of $1,675.9 million through March 31, 2026. Q1 2026 alone generated $471.5 million of operating cash flow and $473.6 million of

free cash flow. The unusual feature that FCF exceeded OCF in the QF definition reflects GoDaddy's non-GAAP free cash flow definition and cash paid for restructuring and other charges; downstream analysis should use the QF's official release definition rather than substituting an FMP-calculated free cash flow figure.

The balance sheet is levered but not distressed on current cash generation. At Q1 2026, QF reported $1,261.7 million of cash and cash equivalents, $3,848.1 million of total debt, and $2,586.4 million of net debt. QF TTM NEBITDA was $1,635.0 million, implying net debt around 1.6x TTM NEBITDA. The company also had $2,486.5 million of deferred revenue at Q1 2026, reflecting the subscription and prepayment model.

Capital allocation has included substantial share repurchases. The Q1 2026 release said GoDaddy repurchased 3.0 million shares in the quarter for an aggregate purchase price of $279.7 million. QF shows Q1 2026 diluted weighted-average shares of 134.3 million and FY2025 diluted weighted-average shares of 136.2 million. This can be valuable if repurchases occur below intrinsic value, but it also means per-share compounding will partly depend on buyback price discipline.

8. Recent Performance Snapshot

The latest reported quarter is Q1 2026, quarter ended March 31, 2026, reported April 30, 2026. Per QF, Q1 2026 revenue was $1,266.9 million, operating income was $310.5 million, net income was $214.6 million, operating cash flow was $471.5 million, free cash flow was $473.6 million, and NEBITDA was $413.5 million. Segment revenue was $498.2 million for A&C and $768.7 million for Core. Segment EBITDA was $225.2 million for A&C and $253.5 million for Core.

On a TTM basis, the company generated $5,023.7 million of revenue, $1,190.5 million of operating income, $870.1 million of net income, $1,666.2 million of operating cash flow, $1,675.9 million of free cash flow, and $1,635.0 million of NEBITDA. TTM A&C revenue was $1,940.8 million and TTM Core revenue was $3,082.9 million. TTM segment EBITDA was $885.2 million for A&C and $1,028.5 million for Core.

Management's latest official outlook in the Q1 2026 release was for Q2 2026 revenue of $1.285 billion to $1.305 billion and full-year 2026 revenue of $5.195 billion to $5.275 billion. That implies roughly 6% growth at the full-year midpoint versus FY2025 revenue of $4.951 billion. This guidance is not a valuation conclusion; it is a useful near-term calibration point for the segment appendices and synthesis.

9. Key Diligence Questions for the ER2 Run

The primer suggests several questions that matter more than the headline category label "domain registrar."

First, can A&C continue to compound at a low-to-mid-teens rate from a $1.9 billion TTM base? A&C has high segment EBITDA margins and is strategically important, but its products face strong specialists. The run needs evidence that GoDaddy's AI tooling, Websites + Marketing, payments, email/productivity, and commerce capabilities are creating real incremental ARPU rather than merely packaging existing demand.

Second, how durable is Core growth? Core grew 4.9% in FY2025 and 2.8% in Q1 2026. Domains are sticky and scaled, but hosting has had end-of-life migrations and asset dispositions. The 10-K said FY2025 Core growth was driven by domain registration and add-on revenue plus aftermarket revenue, partly offset by hosting pressures. The segment work should separate durable domain economics from more pressured hosting/other Core revenue.

Third, is customer count stagnation a warning or simply maturity? Customers declined from 21.026 million in FY2023 to 20.422 million in FY2025, then were roughly stable at 20.4 million in Q1 2026. ARPU rose over the same period. A quality compounder can thrive with flat customer count if ARPU expansion is durable and low-churn, but it cannot rely indefinitely on price/mix without customer utility.

Fourth, what is the normalized free-cash-flow conversion after restructuring, working capital, deferred revenue, and buybacks? GoDaddy's cash generation is a major attraction, but the synthesis should check whether TTM FCF is structurally repeatable or temporarily helped by working capital and cash timing.

Fifth, how should the ER2 run treat AI? AI may improve product conversion and support efficiency, but it also lowers barriers for website creation, marketing content, and software-like small-business tools. The moat appendix should treat AI as both a tool and a disruption vector.

10. Principal Risks and Watch Items

The primary business risk is that GoDaddy's core domain franchise matures while A&C growth slows before it becomes large enough to reaccelerate consolidated growth. With Core still over 60% of revenue, consolidated growth depends on both stable

Core and sustained A&C expansion. If Core falls toward flat and A&C decelerates materially, GoDaddy could become a financial-engineering story rather than a long-duration compounder.

The second risk is competition from deeper vertical specialists. A customer can buy a domain at GoDaddy but use Shopify for commerce, Wix or Squarespace for site building, Stripe or PayPal for payments, Microsoft or Google for productivity, Cloudflare for infrastructure, and a range of AI-native tools for content and website creation. GoDaddy's bundling and guidance need to be good enough to offset best-of-breed alternatives.

The third risk is partner dependence. Microsoft 365 and other third-party integrations are important to the customer bundle. The 10-K warns that if key partners terminate relationships, limit access, change pricing, or change terms, demand for related GoDaddy products could decline or GoDaddy could face operational disruption and higher costs.

The fourth risk is regulatory and infrastructure complexity in domains, payments, privacy, cybersecurity, content moderation, international markets, and consumer protection. GoDaddy operates in a trust-sensitive layer of the internet. Security failures, service outages, domain policy changes, or payment compliance issues could impair the brand and economics.

The fifth risk is capital allocation. Share repurchases can enhance per-share value, but if the company buys heavily at inflated prices while growth slows, value creation may disappoint. The ER2 synthesis should explicitly test per-share outcomes against buyback assumptions and debt capacity.

Source Notes

- Quantitative Foundation: `C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\quant_foundation.md`, especially P0 through P6. This is the primary source for all financial figures in this appendix.
- FY2025 Form 10-K: SEC filing `https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm`, including business descriptions, segment definitions, customer metrics, competition, revenue recognition, geographic disclosure, FY2025 segment revenue, cost structure, and Segment EBITDA.
- Q1 2026 earnings release: SEC Exhibit 99.1 `https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm`, including Q1 2026 revenue, segment revenue, segment EBITDA, cash flow, customer count, repurchases, balance sheet summary, guidance, and AI commentary.
- Q1 2026 Form 10-Q: SEC filing `https://www.sec.gov/Archives/edgar/data/1609711/000160971126000037/gddy-20260331.htm`, used as a primary filing cross-check for the latest reported quarter.

Appendix M - Management Assessment

GoDaddy Inc. (GDDY) - Management Assessment

Prepared for ER2 / Gideon on 2026-05-09. TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. This appendix uses the reviewed data package for five-year capital allocation history and recent corporate actions, and live SEC / company sources for governance, strategy, pay, filings, earnings releases, and call materials. Official SEC / GoDaddy segment disclosures control; FMP quarterly segmentation is explicitly excluded because the reviewed package identified broken quarterly segment data.

1. Who is running the company

GoDaddy is currently run by a seasoned but still focused public-company team. Amanpal "Aman" Bhutani has been CEO since September 2019 and has served as a director since 2019. The 2026 proxy shows a background directly relevant to GoDaddy's current strategy: president of Brand Expedia Group from June 2015 to September 2019, senior engineering roles at Expedia from 2010 to 2015, and earlier technology leadership roles at JPMorgan Chase and Washington Mutual. Bhutani has owned the post-2019 strategic architecture: the two-segment operating model, the "identity, presence and commerce" bundle, Airo / agentic AI positioning, cost optimization, and the explicit free-cash-flow-per-share capital allocation model.

Mark McCaffrey has been CFO since June 2021. He joined from PwC, where he spent more than 20 years in technology, media, telecommunications, and software-sector leadership roles, including US TMT Sector Leader and Global Software Industry Leader. McCaffrey is not a founder-operator CFO; he is a controls, capital allocation, reporting, and enterprise-finance CFO. That fits GoDaddy's recent operating phase, where the shareholder case depends on disciplined buybacks, leverage control, margin expansion, and a reliable bridge from bookings to free cash flow. The current operating bench also includes Roger Chen, COO since January 2022 and previously president of the Domain Registrars and Investors business, and Jared Sine, Chief Strategy and Legal Officer since March 2024 after senior legal and business-affairs roles at Match Group and Expedia. GoDaddy does not separately disclose named heads for Applications and Commerce or Core Platform in the proxy, so segment accountability appears to sit with Bhutani, Chen, McCaffrey, and functional leaders rather than public segment CEOs.

Board oversight is credible. Brian Sharples, co-founder and former CEO of HomeAway, is independent Board Chair. The proxy states that GoDaddy uses a separate independent chair and CEO structure. The 2026 director slate has nine nominees, with Bhutani as the only executive director. Committees are independent, and the audit committee includes former Adobe CFO Mark Garrett and former Salesforce CFO Graham Smith. There is some tenure to monitor - Herald Chen has served since 2014 and Brian Sharples since 2016 - but this is balanced by refreshment in recent years. I do not see a control-person, dual-class, founder-entrenchment, or board-capture red flag.

2. Tenure and track record

Bhutani has been CEO for more than six and a half years as of May 2026. He fully owns the current strategy. This is not a "new CEO optionality" story; it is a track-record story. The best evidence in his favor is not narrative, but the financial pattern from the data package. From FY2021 to FY2025, revenue rose from $3.816 billion to $4.951 billion, operating margin expanded from 10.0% to 22.9%, free cash flow rose from $0.576 billion to $1.576 billion, and the package's rough ROIC calculation improved from 12.0% to 28.4%. Diluted weighted-average share count fell from 171.1 million to 140.6 million by FY2025, with Q1 2026 diluted weighted-average shares down further to 134.3 million. This is exactly the kind of operating and per-share compounding a Gideon management gate should reward, provided governance and candor hold up.

Bhutani's first major decision was to make GoDaddy a free-cash-flow-per-share compounder rather than a revenue-at-any-price internet rollup. The capital allocation record is unusually clear: no common dividends, limited M&A in the last three years, and heavy buybacks funded by rising free cash flow. The Q1 2026 call stated that repurchase programs since 2022 had reduced fully diluted shares outstanding by more than 31%, and the data package shows $1.295 billion of buybacks in FY2022, $1.270 billion in FY2023, $0.677 billion in FY2024, and $1.602 billion in FY2025. This is not timid capital return. The risk is that repurchases can become mechanical, but the company maintained moderate net leverage of roughly 1.6x TTM NEBITDA at Q1 2026 and still held $1.262 billion of cash. On balance, the record looks disciplined.

The second major decision was to concentrate the customer proposition around identity, presence, and commerce, with Applications and Commerce as the faster-growth attach engine. Official segment tables show A&C revenue rising from $1.128 billion in FY2021 to $1.889 billion in FY2025, with segment EBITDA margin expanding from 39.7% to 45.4%. Core Platform

was steadier, growing from $2.687 billion to $3.062 billion while segment EBITDA margin improved from 25.3% to 33.0%. This is a good outcome: the slow-growth registrar base did not collapse, while the higher-margin software and commerce side became a larger, faster-growing mix contributor.

The third major decision was cost optimization plus AI-enabled productivity. Capex fell from $253 million in FY2021 to $24 million in FY2025, below 1% of revenue, while technology and development expense remained meaningful at roughly 17% of FY2025 revenue. The 2025 10-K says cost optimization included rent, utilities, data-center, and systems-infrastructure savings as the company migrated toward cloud-based infrastructure. The result is visible in consolidated margins. The concern is not whether the margin work happened; it did. The open question is how much future AI investment, compute cost, and marketing spend will be required before Airo contributes material revenue.

The main decisions that did not work perfectly were product exits, brand migrations, and promotional tests. Customer retention dipped to approximately 84% in FY2024 because of divestitures, migrations, and end-of-life actions, before returning to approximately 85% in FY2025. In Q1 2026, analysts pressed management on promotional offers, lower average order size, customer quality, and removal of a lower-value product. Management acknowledged the trade-off, said promotions brought more than 100,000 gross adds, and emphasized that the company tuned promotions to balance bookings and customer count while retiring an old product with little bookings impact. That is a candid enough pivot, not a quiet write-off.

3. Capital allocation behavior

The five-year capital allocation table from the reviewed package is the centerpiece. Capex was $253 million, $60 million, $77 million, $27 million, and $24 million from FY2021 to FY2025. Technology and development was $706 million, $794 million, $840 million, $814 million, and $842 million. Buybacks were $526 million, $1.295 billion, $1.270 billion, $677 million, and $1.602 billion. Dividends were zero every year. M&A cash outflow was $368 million in FY2021, $73 million in FY2022, and zero in FY2023-FY2025.

This is internally coherent. Management says the model is about compounding free cash flow and shareholder value, and the cash goes to internal work plus buybacks, not empire-building. GoDaddy is not starving product: technology and development remains large and A&C is still growing double digits. It is not pursuing large acquisitions to manufacture growth. I score that as positive.

Buybacks are the harder question. Repurchases were very large in FY2025, and the Q1 2026 filing / package indicates 3.0 million shares repurchased in Q1 with about $1.886 billion remaining under authorization at March 31, 2026. The average Q4 2025 repurchase prices disclosed in the 10-K were in the $127-$134 range, and Q1 2026 buybacks occurred during a period when the share price had already appreciated substantially from 2022-2023 levels. I do not see enough evidence to call the program opportunistic in a classic value-investor sense. It is better described as systematic return of excess free cash flow within a leverage guardrail. That is still acceptable here because the underlying FCF yield, capital-light model, and share-count reduction have been material. The gate would become more cautious if buybacks continued aggressively at stretched multiples while Core growth slowed and Airo monetization remained small.

4. Compensation alignment

The 2026 proxy compensation design is mostly aligned, with one imperfection. The short-term incentive plan uses 80% corporate goals and 20% individual performance goals. For 2025, the corporate component was 50% bookings and 50% NEBITDA; the committee removed revenue and unlevered free cash flow from the prior-year design. This is reasonable because bookings captures forward demand and NEBITDA captures profitability, but removing free cash flow from the annual plan is a small mismatch for a company whose investor message emphasizes free cash flow as the "North Star." The offset is that buybacks and free cash flow are visible in stock price and therefore in long-term equity outcomes.

Long-term incentives are cleaner. The proxy states that the 2025 LTIP is 50% PSUs and 50% RSUs. PSUs use 100% relative total shareholder return measured against the Nasdaq Internet Index and cliff vest after a three-year performance period; RSUs vest quarterly over three years. This ties management to shareholder outcomes, though I would prefer a portion tied to multi-year ROIC or FCF per share, because relative TSR can reward multiple expansion and market timing. The equity ownership guidelines are strong: CEO ownership minimum of six times base salary and two times salary for other executive officers, excluding unexercised options and unvested awards. The proxy says all executives were either compliant or on track as of December 31, 2025. Beneficial ownership is real but not founder-like: Bhutani owned 734,091 shares as of April 7, 2026, and McCaffrey owned 83,875 shares.

Stock-based compensation is not out of control but should remain on the monitor list. The 2025 10-K reports equity-based compensation of $317.8 million in FY2025, $299.9 million in FY2024, and $296.3 million in FY2023. Against FY2025 revenue of $4.951 billion, that is about 6.4% of revenue. The dilution effect is more than offset by buybacks, but the gross SBC load is not trivial. Governance protections are standard and adequate: anti-hedging, anti-pledging, executive ownership guidelines, and clawback / recoupment policies.

5. Disclosure quality and candor

I reviewed the last eight quarterly call transcripts or live call materials covering Q2 2024 through Q1 2026 using live FMP transcript pulls and cross-checked the recent quarters against SEC-furnished earnings releases. The pattern is better than average for a mid-cap internet company. Management gives concrete KPIs: bookings, ARR, ARPU, customer retention, segment revenue, segment EBITDA margin, A&C bookings, Core bookings, share repurchases, fully diluted shares, and annualized bookings run-rate for Airo AI Builder. They also answer most tough questions directly, even when the answer is not especially promotional.

Examples matter. In Q1 2026, analysts asked about Airo AI Builder monetization, A&C bookings deceleration, promotional activity, lower-value product retirement, AI-driven search traffic, international slowdown, and whether GoDaddy would sacrifice low-LTV domain customers. Bhutani and McCaffrey did not hide the issue. They said Airo AI Builder's $10 million-plus annualized run-rate was bookings from subscriptions and credits only, not attach from other products. They said A&C bookings were affected by the go-to-market offer and Websites + Marketing pricing transition. They said the company would let low-LTV domain customers go if the alternative was worse customer quality. On AI search traffic, Bhutani acknowledged some search impact but said conversion improvements had offset it so far. That is a direct answer to a real competitive question.

The main candor deduction is product-level revenue disclosure. Airo, Websites + Marketing, commerce, hosting, security, and payments are not separately disclosed as GAAP revenue lines. Management supplies operating signals, but investors still cannot fully isolate how much Airo is incremental revenue versus attach, retention, or mix support. Similarly, Core Platform "other" weakness in Q1 2026 was explained as non-core hosting softness, .CO registry expiration, and aftermarket comps, but the company does not provide a long historical product bridge. This is not evasive enough for a yellow gate, because segment-level disclosure is consistent and the Q&A is unusually concrete. It is a monitoring item.

Guidance discipline looks good. Q1 2026 revenue landed at the high end of guidance, NEBITDA margin exceeded guide, and management reaffirmed FY2026 revenue, margin, and free cash flow guidance. The 2024 Investor Day framework called for 6%-8% annual revenue growth, about 33% NEBITDA margin in 2026, and 20%+ FCF/share CAGR. Q1 2026 growth of 6.1% is at the low end of the revenue framework, but 32.6%-33% NEBITDA margin and the $1.8 billion FY2026 FCF target remain consistent with the long-term plan. "Headwind" language appeared but was not abused; the company usually named the actual factor, such as .CO, aftermarket, promotional allocation, hosting, FX, or product exits.

6. Strategic coherence

The stated strategy is coherent. The 2025 10-K defines the customer journey around Identity, Presence, and Commerce, and says GoDaddy serves entrepreneurs with easy-to-use products on an integrated platform supported by guidance. It identifies Airo, AI-powered agents, and Agent Name Service as extensions of that same platform rather than unrelated pivots. The 10-K also frames ANS as a trust layer for AI-powered agents, built on GoDaddy's DNS and PKI infrastructure. This is the right strategic adjacency: GoDaddy's highest-probability AI opportunity is not a general-purpose model; it is using domains, identity, presence, commerce, and care data to reduce friction for microbusinesses and to defend the relevance of domains in an agentic internet.

Investment patterns support the strategy. The company is spending heavily in technology and development, redirecting marketing toward Airo Builder, migrating infrastructure for efficiency, and using free cash flow to reduce share count. It is not buying unrelated assets or paying dividends while claiming a growth transformation. The five-to-ten-year destination is reasonably clear: a large base of domain and microbusiness customers with increasing attach into software, commerce, AI building tools, identity verification, and customer-care automation, producing rising FCF per share.

Management also names competitive threats more directly than many peers. Recent calls addressed low-priced domain registrars, free-domain models, LLM-driven discovery, AI website and app builders, enterprise-focused AI competitors, and the possibility that customer journeys begin in AI interfaces rather than traditional search. I would not call the company complacent. The risk is execution complexity: GoDaddy is trying to maintain Core profitability, push A&C growth, shift product architecture, and shape ANS standards at once. The strategy is coherent, but the AI monetization proof is still early.

7. Governance flags

Governance is clean enough for a PASS. The 2026 proxy says that since January 1, 2025 there have been no related-party transactions, nor currently proposed related-party transactions, exceeding the policy threshold. The company has a single Class A common stock structure in the reviewed filings; no dual-class control issue was identified. The 2025 10-K reports that management concluded internal control over financial reporting was effective as of December 31, 2025, and Ernst & Young gave an unqualified internal-control opinion. No material weakness, restatement, large regulatory settlement, or SEC enforcement action was identified in the reviewed live filings.

Insider selling does not look alarming. The 2025 10-K disclosed a 10b5-1 plan adopted by CFO Mark McCaffrey on December 10, 2025 to sell up to 8,000 shares between December 10, 2025 and March 11, 2027, and a director plan by Leah Sweet for 650 shares. Relative to McCaffrey's 83,875 beneficial shares and Bhutani's much larger ownership, this is not a clustered, thesis-changing insider exit. The audit and risk committee, governance committee, and compensation committee are independent. The one soft governance issue is that the CEO is also a director and several directors have multiple external commitments, but that is common and not disqualifying.

8. Peer comparison

Against Wix, Squarespace, and Shopify as directional peers, GoDaddy ranks well on capital allocation and slightly less well on product-level transparency. Wix under Avishai Abrahami has a strong founder-led product culture and has improved profitability, but its capital allocation record has historically been less clearly FCF-per-share centered than GoDaddy's. Squarespace under Anthony Casalena built a strong design-led SMB web presence business, but it does not offer the same public-market record of disciplined repurchases and segment margin progression after moving toward private ownership. Shopify under Tobi Lutke is the superior product and ecosystem compounder, but it is a more aggressive reinvestment model with different risk/reward.

On five-year stewardship, Bhutani ranks above the realistic web-presence/domain peer set on per-dollar capital allocation: revenue grew, margins expanded sharply, FCF rose, and share count fell materially without a balance-sheet blow-up. On communication, GoDaddy is better than average because management gives concrete bookings, ARR, ARPU, segment EBITDA, and capital return metrics, but trails the best software companies on product-level revenue detail and cohort economics. On product vision, Bhutani is credible but not yet fully proven in AI-native software. The Airo / ANS story could become a major strategic win, but as of Q1 2026 it is still mostly operating proof points and early bookings, not a large disclosed revenue stream.

9. Management gate verdict

Verdict: PASS. This is a proven management team with a six-year CEO track record, a five-year record of revenue growth, major margin expansion, rising free cash flow, and material per-share compounding. Capital allocation is consistent with the stated strategy: invest in product and AI where returns appear attractive, avoid large recent M&A, use excess cash for buybacks, and maintain moderate leverage. Governance is clean, compensation is broadly aligned, the board has an independent chair and credible financial oversight, and management answers difficult analyst questions with more specificity than the average peer.

The two watch items are real but not enough to hold the gate. First, the buyback program is systematic rather than demonstrably opportunistic, so valuation discipline matters if the stock trades at a full multiple. Second, Airo / ANS disclosure is still early and product-level revenue is not yet sufficient to prove a new growth leg. Those are monitoring issues for underwriting, not management disqualifiers. I would follow this team for the next decade, with position sizing tied to evidence that Airo and A&C can keep offsetting slower Core Platform growth.

Sources

- GoDaddy 2026 DEF 14A proxy statement, filed April 23, 2026: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000030/gddy-20260423.htm
- GoDaddy FY2025 Form 10-K, filed February 24, 2026: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm
- GoDaddy Q1 2026 earnings release, Exhibit 99.1 to Form 8-K: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm

- GoDaddy Investor Day 2024 deck: https://aboutus.godaddy.net/files/doc_presentations/2024/March/2024_Inv-Day_FINAL.pdf
- Live FMP transcript endpoint used for Q2 2024 through Q1 2026 call transcripts: /stable/earning-call-transcript?symbol=GDDY&year={year}&quarter={quarter}
- Reviewed data package: C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\data_package.md

Appendix W - Moat and 2046 Durability

GoDaddy Inc. (GDDY) - Moat and 2046 Durability

Today: 2026-05-09. The 2046 test date is 2046-05-09. TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. This appendix uses the reviewed `data_package.md` and `appendix_A_primer.md` as the controlling local sources. The segment appendices existed only as placeholders at drafting time, so segment-level competitive dynamics below are integrated from the reviewed data package, primer, and primary SEC / GoDaddy sources rather than from completed B appendices. Critical data override: official SEC / GoDaddy segment tables control because FMP quarterly segmentation is broken for GoDaddy.

1. Moat taxonomy applied

Network effects: GoDaddy has weak direct network effects but meaningful ecosystem scale effects. A customer buying a domain does not make another customer's domain more valuable in the classic marketplace sense, except in aftermarket domains where liquidity and search breadth matter. The more important effect is data-and-distribution scale: roughly 20.4 million paying customers, about 81 million domains under management, and global domain search behavior improve GoDaddy's ability to recommend names, price aftermarket inventory, cross-sell adjacent products, and train conversion funnels. This is not a social network moat. It is a funnel-data and liquidity advantage concentrated in Core Platform.

Switching costs: This is the most observable moat source. Domains renew, websites accumulate content and SEO history, business email becomes operationally embedded, payment acceptance connects to workflows, and small businesses dislike technical migration risk. GoDaddy's FY2025 10-K disclosed customer retention around 85% in most recent years and approximately 90% retention for customers with more than three years of tenure. More than 89% of FY2025 revenue came from customers who were customers in the prior year, according to the reviewed primer. The switching cost is not contractual lock-in alone; it is the hassle, outage risk, uncertainty, and bundled admin burden of moving many small digital assets at once. It is strongest in domains, email, hosting, and bundled presence. It is weaker in standalone website builder, marketing, and payments tools where specialists can offer a sharper product.

Scale economies: GoDaddy has real scale economies in brand marketing, domain operations, customer support, security infrastructure, platform tooling, and product cross-sell. The SEC filing says GoDaddy had about 21% of worldwide registered domain names based on VeriSign's Domain Name Industry Brief, which supports purchasing, data, service, and funnel scale in the registrar layer. Scale also shows in the margin path: consolidated operating margin expanded from 10.0% in FY2021 to 22.9% in FY2025, while TTM operating income through Q1 2026 was $1.1905 billion on $5.0237 billion of revenue. The risk is that some scale benefits are shared with registry operators, Microsoft, payment networks, and infrastructure vendors rather than captured entirely by GoDaddy.

Brand: Brand is a real but not impregnable moat. GoDaddy is one of the first names many entrepreneurs think of when searching for a domain, and that first-look position is valuable because the domain search moment is often the start of the customer relationship. The 10-K cites 20.4 million customers, more than 200 markets, and high brand awareness. Brand helps lower customer acquisition cost, particularly for nontechnical entrepreneurs who want a familiar provider. But brand does not automatically win best-of-breed commerce, payments, email, website design, or infrastructure decisions. For A&C, GoDaddy's brand is a convenience and trust signal, not a guarantee that a merchant will choose GoDaddy over Shopify, Wix, Squarespace, Stripe, Microsoft, or Google.

Regulatory / accreditation: The regulatory moat is narrow but important in Core Platform. Domain registration depends on ICANN accreditation and relationships with registries and ccTLD authorities. Accreditation is not exclusive, and many competitors have it, so this is not a monopoly license. Still, operating at scale across global domain rules, privacy, abuse handling, DNS, renewals, and ccTLD requirements creates operational complexity that discourages casual entrants. This moat is durable in the sense that the internet naming system is institutional infrastructure. It is not absolute because domain policy changes, registry pricing, or ICANN requirements can reshape economics.

IP / proprietary technology: Proprietary technology is a supporting advantage, not the core moat. GoDaddy has internal software, search and recommendation systems, Airo AI experiences, security systems, and agent identity initiatives such as Agent Name Service. These can improve conversion and retention, but most product categories are not protected by hard patents or irreplaceable code. AI lowers the barrier to building decent website, logo, content, and marketing tools. GoDaddy's technology moat matters only if it is fused with its distribution and data moat; standalone software features can be copied.

High-trust procurement: This is underappreciated. Small businesses are not enterprise procurement departments, but they still need trust for domains, payments, email, security, and website uptime. GoDaddy's support layer, including roughly 5,700 GoDaddy Guides worldwide per the 10-K, gives it a human-assisted sales and retention advantage with nontechnical customers. That said, trust can be damaged quickly by outages, security failures, billing controversies, or poor support. High trust is a moat only while service quality remains high and renewal friction stays reasonable.

2. Per-segment moat

Core Platform: The Core moat is the stronger and more durable segment moat. Core generated $3.062 billion of FY2025 revenue, 61.8% of total, and $3.083 billion of TTM revenue through Q1 2026. It includes domains, aftermarket domains, protection, hosting, security, and related platform products. Within FY2025 Core, domains were $2.3105 billion and other Core was $751.6 million, so domains were roughly three-quarters of Core and about 47% of consolidated revenue. The moat is scale plus renewal inertia plus brand plus regulated-operating complexity. It is credible over five and ten years. Over twenty years, it depends on the open internet and domain names remaining a default identity layer for businesses, humans, and potentially AI agents. What would break it: a durable shift from domain-based presence to closed social, app, marketplace, or AI-agent ecosystems where customers no longer need a website or domain. Earliest observable sign: domain revenue turns negative despite pricing, domains under management decline, renewal rates fall, and Core EBITDA margin stops expanding.

Applications and Commerce: A&C is economically attractive but competitively less protected. It generated $1.889 billion of FY2025 revenue, 38.2% of total, and $1.941 billion of TTM revenue. Segment EBITDA margin was 45.4% in FY2025 and 45.6% TTM. The moat is not that GoDaddy has the best website builder, payment product, marketing suite, or commerce stack. The moat is distribution into a large installed base, bundle convenience, customer support, AI-assisted onboarding, and the ability to meet the "good enough and all in one place" needs of microbusinesses. This is a real small-business advantage, but it is weaker against customers whose needs graduate into deeper tools. Shopify, Wix, Squarespace, Stripe, PayPal, Block, Microsoft, Google, Meta, TikTok, and vertical software vendors can each attack a product slice. A&C durability is five-year credible, ten-year plausible, and twenty-year uncertain. Earliest observable sign of breakage: A&C growth slips below high single digits while ARPU growth decelerates, Airo bookings fail to convert into revenue, and A&C margin compresses from payments / partner costs or AI investment.

Blended company moat: The blended moat is weaker than Core alone but stronger than A&C alone. The company still relies on Core for most revenue and the entry funnel, while A&C supplies much of the growth narrative. That composition is both attractive and fragile. If Core stays slow but stable and A&C keeps compounding low-to-mid teens, GoDaddy can remain a high-return compounder. If Core drifts toward flat and A&C normalizes to mid-single-digit growth under specialist pressure, the business becomes a cash-generation and buyback story rather than a durable 20-year compounding franchise.

3. Margin persistence evidence

The margin record supports the existence of a moat, with the caveat that recent expansion includes execution and cost discipline, not only structural pricing power. Consolidated operating margin improved from 10.0% in FY2021 to 12.2% in FY2022, 12.9% in FY2023, 19.5% in FY2024, and 22.9% in FY2025. Q1 2026 operating margin was 24.5%, up 380 basis points year over year, and TTM operating income was $1.1905 billion on $5.0237 billion of revenue, implying roughly 23.7% TTM operating margin. Operating cash flow and free cash flow are also strong: TTM official GoDaddy-defined FCF was $1.6759 billion, and Q1 2026 free cash flow was $473.6 million.

Segment margins show the same durability. A&C Segment EBITDA margin moved from 39.7% in FY2021 to 40.9% in FY2022, 41.5% in FY2023, 44.7% in FY2024, and 45.4% in FY2025. Q1 2026 A&C Segment EBITDA margin was 45.2%. This is unusually strong for a segment exposed to website creation, commerce, email/productivity, marketing, and payments, and it indicates that GoDaddy's distribution and bundle economics are offsetting competitive intensity so far.

Core Segment EBITDA margin moved from 25.3% in FY2021 to 27.9% in FY2022, 28.9% in FY2023, 31.9% in FY2024, and 33.0% in FY2025. Q1 2026 Core Segment EBITDA margin was 33.0%, up 150 basis points year over year. Core revenue growth slowed to 2.8% in Q1 2026, but the margin still expanded. That is a classic sign of a mature moat: growth is not spectacular, but renewal economics, scale, and pricing / mix can still protect profit.

The counterpoint is that GoDaddy does not disclose segment operating income, only Segment EBITDA. Unallocated corporate costs, equity compensation, D&A, interest, restructuring items, and taxes still matter. The margin evidence is strong enough to support a moat gate, but it should not be overread as proof of unassailable segment-level operating income.

4. AI disruption stress test

Core Platform is partly chokepoint economics and partly workflow exposure. Domain registration, DNS, registry connectivity, renewals, trust, abuse handling, security, and hosting are infrastructure-like functions. AI can improve domain search and support but does not eliminate the need for unique identifiers if the open internet persists. In fact, AI agents may increase the need for machine-readable identity, verification, and trust layers. GoDaddy's ANS initiative is an attempt to extend its naming role into agent identity. The protected part is naming and renewal infrastructure. The exposed part is simple hosting and basic website setup, because AI-native tools can package site creation, deployment, and hosting more fluidly.

A&C is the segment most exposed to AI disruption. Website building, logo generation, marketing copy, social content, appointment pages, storefront setup, and basic compliance prompts are exactly the kind of "prompt to output" workflows foundation models can replicate or improve. If a customer can tell an AI platform to create and maintain a small business presence across web, social, messaging, payments, and marketplaces, the website-builder portion of A&C loses differentiation. GoDaddy's answer is distribution and integration: use Airo to convert domain intent into a working business bundle, then monetize subscriptions, credits, payments, and add-ons. That can work, but the moat shifts away from the AI feature itself and toward customer acquisition, domain search, bundled admin, support, payments integration, and renewal behavior.

The most AI-protected segment is Core domains and domain trust infrastructure. The most AI-exposed segment is A&C website / marketing workflow. The highest-leverage AI upside is conversion: if Airo turns more domain searchers into customers with published sites, email, commerce, and payments, it can increase ARPU and retention. The highest-risk AI downside is disintermediation: if closed AI ecosystems or AI-native commerce agents reduce the importance of domains, websites, and small-business software bundles, GoDaddy's funnel weakens at the source.

5. The 2046 test

On 2046-05-09, the bullish but specific GoDaddy description is this: GoDaddy remains a scaled open-internet identity, presence, and commerce operator for entrepreneurs, microbusinesses, domain investors, and digital agents. It still sells domain names, identity verification, DNS and trust services, web and agent-hosting infrastructure, security, business email, payments, commerce tools, and AI-assisted business operations. The old "domain plus website" bundle has evolved into "name plus verified identity plus business operating layer." Core still exists, but it has become more identity-and-trust oriented; simple commodity hosting is smaller. A&C still exists, but less as a manual website builder and more as an AI-assisted operating suite that creates, updates, sells, books, invoices, markets, and reconciles for very small businesses. Operating margin is directionally stable to modestly higher than today if GoDaddy keeps replacing manual support and legacy hosting costs with AI-assisted support, self-serve workflows, and higher-ARPU products. The moat that still makes money is the combination of trusted naming scale, renewal inertia, installed customer base, low-friction bundle distribution, and regulated / standards-based operating know-how.

That 2046 description is plausible, but it is not certain enough for a clean PASS. It relies on one central assumption: the open internet remains economically relevant for entrepreneurs and machine agents. GoDaddy's 2025 risk factors directly acknowledge that social channels, applications, AI-powered tools, closed ecosystems, and alternative systems could reduce the value of domains, websites, and online stores. If the world moves toward a few closed AI commerce platforms where businesses are represented by platform-native profiles and agents rather than independent domains, GoDaddy's first-look advantage erodes. In that bear version of 2046, GoDaddy is a profitable but shrinking or no-growth registrar with a residual customer base, a smaller hosting/security business, and a software bundle that could not keep up with AI-native operating systems. Core renewal inertia slows the decline but does not restore strategic relevance. A&C becomes a low-differentiation bundle for legacy users rather than a growth engine.

Probability: the bull-to-base 2046 case is more likely than obsolescence, but the bear case is too concrete to ignore. I would put the 2046 test at YELLOW rather than PASS. Domains, trust, identity, and small-business operations should still matter in 2046, but the form may change substantially, and GoDaddy must prove that Airo / ANS-like initiatives can extend its domain franchise rather than merely defend it.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
AI-native website / business operating systems	Foundation-model interfaces create, host, update, market, and transact without traditional website-builder workflows	A&C; Core hosting	A&C growth falls below high single digits; Airo bookings do not convert; site-builder churn rises	High

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Best-of-breed specialist unbundling	Shopify, Wix, Squarespace, Stripe, PayPal, Block, Microsoft, Google, Cloudflare, and others win the valuable slices while GoDaddy keeps low-value entry products	A&C; Core other	ARPU growth slows; customers keep domains but stop adding products; A&C margin compresses	High
Domain relevance / pricing pressure	Closed ecosystems, app stores, social commerce, AI agents, registry pricing, or registrar competition reduce domain demand or capture economics	Core Platform	Domain revenue turns negative; domains under management decline; renewal rates weaken; Core margin rolls over	Medium

7. Pricing power verification

Pricing power is observable but not unlimited. The data package shows customer count was essentially flat recently while ARPU increased: Q1 2026 ARPU was $246, up 9.3% year over year, and ARR was $4.288 billion, up 5.8%. That combination suggests price / mix / attach is doing real work. Total bookings growth was only 2.7% in Q1 2026, so the pricing story is not pure demand acceleration; it is monetization of an existing base and improved product mix.

Segment margin stability reinforces the pricing-power case. A&C revenue grew 11.6% in Q1 2026 while Segment EBITDA grew 14.4%, and margin expanded to 45.2%. Core revenue grew only 2.8%, but Core Segment EBITDA grew 7.7%, and margin expanded to 33.0%. If price increases or mix improvements were causing severe churn, margins would likely not be improving this cleanly. Customer retention around 85%, plus about 90% retention for customers older than three years, indicates the base can absorb some pricing and attach.

Still, GoDaddy's own risk factors warn that SMB customers can be price sensitive and that competitors may use discounting and bundling. Contract structure helps because many products are subscription-based and often paid at sale or renewal, creating deferred revenue and cash flow, but most customers are not locked into long enterprise contracts. Pricing power is therefore moderate: strong in domain renewals, bundles, and long-tenured customer relationships; weaker in new customer acquisition and products with obvious specialist substitutes.

8. Moat verdict

Moat gate: YELLOW. GoDaddy has a real moat in Core Platform, supported by scale, brand, retention, renewal friction, domain infrastructure complexity, and margin persistence. The consolidated and segment margin record is good enough to reject the idea that this is a commodity registrar with no defense. However, the blended company moat is diluted by A&C's exposure to intense specialist competition and AI-native workflow substitutes.

2046 test: YELLOW. A specific 2046 GoDaddy can still exist and make attractive returns if open-internet identity, domains, agent trust, and small-business operating tools remain relevant. The problem is that the bear mechanism is equally specific: closed AI ecosystems and AI-native business platforms could reduce the need for independent domains, websites, and simple website-builder workflows. The moat is investable only if future work shows that Core remains stable, A&C retains double-digit growth without margin sacrifice, and Airo / ANS expands the domain franchise rather than becoming a defensive feature set.

Sources used: reviewed `data_package.md`, reviewed `appendix_A_primer.md`, GoDaddy FY2025 Form 10-K (SEC: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm), and GoDaddy Q1 2026 earnings release (SEC Exhibit 99.1: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm).

Appendix B1 - Core Platform

Core Platform - Segment Deep Dive

Company: GoDaddy Inc. (GDDY) Segment: Core Platform TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31 Forward horizon: TTM + five calendar years, ending 2031-03-31 Primary source of company historicals: `data_package.md`, prepared 2026-05-09

0. Segment Boundary + Taxonomy Note

Core Platform is GoDaddy's larger, slower-growth reportable segment. The current two-segment taxonomy is stable for FY2021 through FY2025 in official SEC / GoDaddy segment tables, but it is not the taxonomy GoDaddy used before the FY2022 / FY2023 presentation change. The data package states that older reporting used Domains, Hosting and Presence, and Business Applications, and that the FY2022 Form 10-K included a restatement bridge from FY2021 and FY2020 into the current Applications and Commerce and Core Platform structure. Therefore, this appendix uses only the official restated FY2021-FY2025 Core Platform revenue and Segment EBITDA history from data_package Section 3. It does not compare old-taxonomy Domains or Hosting and Presence dollars to current Core Platform dollars. Boundary year: FY2021 is the earliest official restated year used for dollar comparisons. A second boundary matters for recency: the live FMP quarterly segmentation endpoint was broken in this run and is explicitly excluded; official SEC / GoDaddy quarterly segment tables control.

1. What This Segment Actually Is

Core Platform is the identity, domain, hosting, security, and platform-infrastructure side of GoDaddy. It is where a small business, creator, side project, domain investor, agency, or individual starts when the first problem is, "I need a domain and the internet plumbing behind it." GoDaddy's Applications and Commerce segment contains the higher-level software products for building, marketing, and transacting. Core Platform contains the lower-level services that make the customer's online identity work: domain registrations and renewals, aftermarket domain sales, domain protection, website hosting, website security, and related infrastructure products. The segment is not just a registrar ledger, but domains are the center of gravity.

The customer mix is broad. At one end are first-time microbusiness owners buying a single domain and perhaps a basic hosting or security bundle. At the other end are domain investors, agencies, resellers, and more sophisticated small businesses that manage multiple names, paid protection, hosting, and add-ons. The economic pattern is recurring but not pure subscription software. Domain registration and renewal fees are recurring on one-to-many-year terms, but the registrar pays registry and ICANN fees and has renewal cohorts with meaningful churn. Hosting and security products are also recurring, but they face different competitive pressure from modern website builders, hyperscale clouds, managed WordPress providers, Cloudflare, Hostinger, Wix, Squarespace, Shopify, and developer-oriented platforms such as Vercel and Netlify.

Pricing has three layers. First, domains carry wholesale registry costs plus the registrar's markup. Second, premium and aftermarket names can have very different one-time economics, with GoDaddy benefiting when its marketplace, brokerage, or aftermarket tools intermediate the transaction. Third, the company attaches protection, privacy, hosting, SSL/security, managed services, and other platform products. GoDaddy's strategic claim is that the domain funnel is not a low-margin commodity if it becomes the entry point into a broader small-business operating system. The data package's management commentary captures this idea directly: CEO Aman Bhutani called domains the "domains funnel" on the Q4 2025 call dated 2026-02-24, described GoDaddy as the "world's largest domain registrar" on the Q1 2026 call dated 2026-04-30, and argued that AI-generated websites can help GoDaddy "sell more and more domains" on the Q3 2025 call dated 2025-10-30.

Go-to-market is brand-led, search-led, and funnel-led. A customer often arrives because they are searching for a domain, checking name availability, or trying to launch something quickly. That first intent is valuable because it is upstream of many other purchases. The funnel can then convert into A&C products, but some of the attach stays inside Core Platform: domain protection, hosting, website security, DNS, and adjacent services. This is why Core Platform matters even though A&C is the faster-growth segment. Core is the acquisition surface and trust layer. It funds the business, creates renewal cash flows, and supplies a large installed base that management can cross-sell into.

2. Current Economics (FY2025 and TTM)

Core Platform generated $3.062B of FY2025 revenue, or 61.8% of GoDaddy's FY2025 total revenue of $4.951B, according to data_package Section 1 and Section 3. Segment EBITDA was $1.010B in FY2025, a 33.0% Segment EBITDA margin. On the

TTM anchor used by the ER2 run, Core Platform generated $3.0829B of revenue and $1.0285B of Segment EBITDA, a 33.4% Segment EBITDA margin, based on the official Q2 2025 through Q1 2026 quarterly segment tables reproduced in data_package Section 5. This is a large segment with software-like cash conversion at the company level, but it is not a high-growth software segment. Recent growth slowed to 2.8% year over year in Q1 2026 after 4.8% in Q2 2025, 8.3% in Q3 2025, and 3.3% in Q4 2025.

The most granular product revenue split in the data package is limited. GoDaddy does not disclose separate annual dollar revenue for hosting, security, domain protection, aftermarket domains, or other platform services across the last three fiscal years. The only recent dollar split inside Core Platform is Q1 2026 versus Q1 2025: domains revenue was $586.2mm versus $561.9mm, while Core Platform other revenue was $182.5mm versus $186.0mm. That implies Q1 2026 domains growth of 4.3% and Core other decline of 1.9%. It also implies Q1 2026 mix of roughly 76.3% domains and 23.7% other within Core Platform. Because the data package explicitly warns not to fabricate product-level annual dollars, this appendix uses the Q1 mix only as an analyst allocation for the TTM base, not as disclosed annual product history.

Using that Q1 2026 mix as the starting point, the analyst-estimated TTM product base is approximately $2.351B for domains and $0.732B for Core Platform other, summing to the disclosed $3.0829B TTM Core Platform revenue. This allocation is not a company disclosure. It is a practical bridge for sections 8-10 because the segment must be modeled bottoms-up. The disclosed historical foundation remains the official Core Platform segment total.

Capital intensity is low at the consolidated level. The data package shows company-wide capex fell from $0.253B in FY2021 to $0.024B in FY2025, only 0.5% of FY2025 revenue, while official GoDaddy-defined TTM free cash flow reached $1.6759B. Segment capex is not disclosed. Core Platform almost certainly uses shared infrastructure, customer care, product development, and security resources, so assigning capex by segment would be false precision. The relevant conclusion is that Core Platform's renewal-heavy revenue helps support a company with very low tangible reinvestment needs relative to revenue.

3. Unit Economics

Core Platform's unit economics begin with a recurring customer relationship, not with a one-time sale. A domain registration produces cash up front, then recognizes revenue over the service period. Renewals are economically better than new registrations because GoDaddy does not need to reacquire the same customer each year with the same level of marketing spend. The renewal book also creates opportunities for attach: privacy, protection, SSL/security, hosting, email, website tools, and A&C products. The segment's margin history confirms that scale and mix have been powerful. Core Segment EBITDA margin rose from 25.3% in FY2021 to 33.0% in FY2025 and 33.4% on the TTM anchor, even though revenue growth was only low-to-mid single digits over most of the period.

The revenue-to-profit bridge has several moving parts. Domain revenue carries registry and ICANN pass-through costs, payment processing costs, customer support, fraud and abuse handling, and platform operating expense. Hosting and security carry infrastructure cost, cloud / data center cost, technical support, monitoring, engineering, and depreciation or third-party infrastructure expense. Aftermarket domains can be attractive because GoDaddy can monetize search intent, marketplace liquidity, and brokerage workflows, but aftermarket volume may be cyclical and less predictable than renewals. Domain protection and security add-ons can be higher-margin if they are software and workflow layers on top of the existing registrar relationship.

Margin expands when four things happen. First, renewal mix rises relative to new-customer acquisition cost. Second, higher-value cohorts attach more products. Third, product retirement and portfolio cleanup remove low-value hosting or platform SKUs. Fourth, automation and AI reduce support intensity or make onboarding more self-serve. Margin compresses when the company competes aggressively on first-year domain prices, registry wholesale fees rise faster than retail pass-through, customer support needs increase, security incidents raise remediation cost, or hosting infrastructure costs rise faster than price.

The data package does not disclose segment operating income. GoDaddy's official segment profitability metric is Segment EBITDA, and the data package says downstream segment agents must not invent segment operating income. This appendix therefore keeps historical profitability in Segment EBITDA terms. For the final ER2 rollup request, it also provides an analyst-estimated segment operating income bridge, but it is explicitly labeled as such. The bridge subtracts an estimated 350-450 bps from forward Segment EBITDA margin for segment-level depreciation, amortization, stock-based compensation, and other operating costs that are not captured in Segment EBITDA. [DATA GAP: GoDaddy does not disclose Core Platform operating income or product-level operating margin; all segment OI figures in this appendix are analyst estimates derived from disclosed Segment EBITDA.]

4. Competitive Dynamics

Core Platform competes in several markets at once. In domains, GoDaddy's direct competitors include Namecheap, Squarespace Domains, Tucows, IONOS / United Internet, Newfold brands, Hostinger, Porkbun, Dynadot, NameSilo, Cloudflare Registrar, and regional registrars. In hosting, competitors include Hostinger, Newfold, IONOS, Squarespace, Wix, Shopify, WordPress.com / Automattic, WP Engine, SiteGround, OVH, DigitalOcean, Amazon, Google, Microsoft, Vercel, Netlify, and many local hosting companies. In security and performance, Cloudflare is the most important adjacent platform because it bundles DNS, CDN, SSL, WAF, registrar services, and performance tooling into a very strong developer and SMB proposition.

The market backdrop is not collapsing. DNIB's Q4 2025 report says the internet had 386.9 million domain name registrations across all TLDs at the end of Q4 2025, up 6.2% year over year, while .com and .net together had 173.5 million registrations, up 2.6% year over year. The same report lists a preliminary .com/.net renewal percentage of 75.0% and notes that new gTLDs were up 29.9% year over year but had a much lower recent renewal estimate of 31.3%.[^dnib] This matters for GoDaddy because the stable, high-renewal .com base supports recurring economics, while newer TLDs can generate growth but may have lower renewal quality.

GoDaddy's domain moat is scale, brand, data, and workflow breadth, but not exclusive control of the product. Domains are standardized. ICANN-accredited registrars can sell the same .com or .net registration. Customers can transfer domains. Price-sensitive customers can compare renewal prices. Cloudflare explicitly markets registrar services as "at-cost domain registration and renewal" and says it does not mark up domain prices.[^cloudflare] Namecheap says it is the world's second-largest domain registrar with 22+ million domains under management.[^namecheap] These two facts capture the pressure: a scaled low-price registrar can pull value-seeking customers away, and Cloudflare can use domains as a no-markup entry point into a broader security and performance platform.

Hosting is more fragmented and more structurally competitive. W3Techs' May 2026 web-hosting survey shows Shopify at 5.2% of websites, Hostinger at 4.9%, Amazon at 4.6%, Wix at 4.3%, Squarespace at 2.5%, and GoDaddy Group at 2.3%.[^w3techs] Methodologies differ across providers, and W3Techs measures website usage rather than revenue, but the point is clear enough: GoDaddy is not the dominant hosting platform in the way it is a dominant domain registrar. Hosting demand is splitting into several jobs-to-be-done: commerce on Shopify, simple website builder on Wix/Squarespace/GoDaddy, cheap shared hosting at Hostinger/Namecheap/Newfold, WordPress specialty hosting at WP Engine/SiteGround/Automattic, and developer deployment at Vercel/Netlify/DigitalOcean/hyperscalers.

Pricing power is therefore product-specific. GoDaddy likely has better pricing power on renewal cohorts, domain protection, premium support, and convenience bundles than on first-year domain acquisition or commodity shared hosting. The domain search surface has high intent, and many small businesses prefer a known brand over optimizing every renewal dollar. But a customer with ten or more domains, or a developer comfortable with Cloudflare, has clear substitutes. The bear-case risk is not that GoDaddy loses all customers; it is that high-quality incremental customers increasingly choose lower-cost registrars or platform-native builders, leaving GoDaddy with lower growth and a more promotional acquisition funnel.

5. Moat at the Segment Level

Core Platform has a real but bounded moat. The strongest protection is not proprietary technology; it is the combination of brand trust, search scale, renewal inertia, domain inventory and aftermarket liquidity, customer support, and cross-sell surface. A first-time business owner may not know which registrar is cheapest, but they know GoDaddy sells domains. Once the domain, DNS, hosting, and related services are configured, switching is possible but inconvenient. Renewal reminders, account history, payment methods, DNS settings, email dependencies, SSL settings, and support relationships create friction. That friction is not absolute, but across millions of customers it produces durable retention and cash flow.

The second moat component is GoDaddy's role as a demand aggregator. Domain search creates a valuable intent graph: what names people search, what TLDs they consider, what businesses they are starting, and what products they need next. That data can improve recommendations, aftermarket matching, Airo workflows, and attach. Management's comments about Airo contributing to both A&C and Core Platform and about AI helping sell more domains are important because they point to this funnel becoming more intelligent. If AI lowers the friction of creating a business identity, GoDaddy can benefit through more domain searches, more name suggestions, and more bundled products.

The moat is weaker in hosting and security. GoDaddy has scale and a large installed base, but customers have many alternatives with stronger developer brands, lower pricing, better perceived performance, or deeper security capabilities. Cloudflare's at-cost registrar and free DNS / CDN / SSL bundle is a particularly direct attack on the idea that domain

infrastructure should carry a large markup. Hostinger and Namecheap can compete on value. Shopify, Wix, and Squarespace can make the domain a feature of a broader site or commerce platform. Developer platforms can make traditional shared hosting feel outdated.

The 5-10 year durability judgment is therefore balanced. Core Platform can defend mid-single-digit domains growth and modest margin expansion if GoDaddy uses its brand and AI workflows to keep the domain funnel relevant. It is not a segment that should be modeled like a compounding SaaS product with double-digit organic growth. The moat is strong enough to preserve cash flows and support attach, but not strong enough to assume sustained high pricing power in commodity hosting or price-transparent domains. The segment earns a "durable cash engine, not a dominant growth platform" rating.

6. Historical Growth Rates - Reproduced From Data Package, Not Re-derived

The official historical table below uses data_package Section 3 for segment totals and data_package Section 4 for the only product-level Core split. Segment revenue and Segment EBITDA are disclosed for FY2021-FY2025. Product-level annual dollars are not disclosed. The "Domains" and "Core Platform other" rows are therefore shown only for Q1 2025 to Q1 2026, not as annual history. No annual product back-solving is used.

Product / sub-segment	FY2023 value	FY2024 value	FY2025 value	3-yr CAGR / period growth	Most recent YoY	Specific source
Core Platform total revenue	$2.824B [data_package Section 3, Core Platform revenue row]	$2.920B [data_package Section 3, Core Platform revenue row]	$3.062B [data_package Section 3, Core Platform revenue row]	2.9% FY2022-FY2025 CAGR, using FY2022 $2.812B and FY2025 $3.062B [data_package Section 3, Core Platform revenue row]	4.9% FY2025 YoY; Q1 2026 +2.8% [data_package Section 3 revenue YoY row; Section 5 Q1 2026 Core row]	FY2022-FY2025 Forms 10-K segment-note tables; Q1 2026 8-K Ex. 99.1 / 10-Q, as reproduced in data_package Sections 3 and 5
Core Platform Segment EBITDA	$0.816B [data_package Section 3, Core Platform Segment EBITDA row]	$0.932B [data_package Section 3, Core Platform Segment EBITDA row]	$1.010B [data_package Section 3, Core Platform Segment EBITDA row]	8.8% FY2022-FY2025 CAGR, using FY2022 $0.784B and FY2025 $1.010B [data_package Section 3, Core Platform Segment EBITDA row]	FY2025 Segment EBITDA +8.4% implied from $0.932B to $1.010B; Q1 2026 margin 33.0% [data_package Section 3 Segment EBITDA row; Section 5 Q1 2026 Core margin row]	FY2022-FY2025 Forms 10-K segment-note tables; Q1 2026 8-K Ex. 99.1 / 10-Q, as reproduced in data_package Sections 3 and 5
Core Platform Segment EBITDA margin	28.9% [data_package Section 3, Core Platform margin row]	31.9% [data_package Section 3, Core Platform margin row]	33.0% [data_package Section 3, Core Platform margin row]	+510 bps from FY2022 27.9% to FY2025 33.0% [data_package Section 3, Core Platform margin row]	TTM 33.4%; Q1 2026 33.0% [data_package Section 5 TTM and Q1 2026 Core rows]	Official segment EBITDA margin, not operating margin
Domains	Not separately disclosed annually [data_package Section 4, Domains row]	Not separately disclosed annually [data_package Section 4, Domains row]	Not separately disclosed annually [data_package Section 4, Domains row]	Q1 2026 revenue +4.3% versus Q1 2025, from $561.9mm to $586.2mm [data_package Section 4, Domains row]	+4.3% in Q1 2026 [data_package Section 4, Domains row]	Q1 2026 Form 10-Q Core Platform product split only, as reproduced in data_package Section 4
Core Platform other	Not separately disclosed annually [data_package Section 4, Core Platform other row]	Not separately disclosed annually [data_package Section 4, Core Platform other row]	Not separately disclosed annually [data_package Section 4, Core Platform other row]	Q1 2026 revenue -1.9% versus Q1 2025, from $186.0mm to $182.5mm [data_package Section 4, Core Platform other row]	-1.9% in Q1 2026 [data_package Section 4, Core Platform other row]	Q1 2026 Form 10-Q Core Platform product split only, as reproduced in data_package Section 4

Internal arithmetic check:

Check	Calculation	Result
FY2024 Core revenue to FY2025 Core revenue	$2.920B x 1.049 = $3.063B	Ties to disclosed $3.062B within rounding
FY2023 Core revenue to FY2024 Core revenue	$2.824B x 1.034 = $2.920B	Ties to disclosed $2.920B
FY2022 Core revenue to FY2023 Core revenue	$2.812B x 1.004 = $2.823B	Ties to disclosed $2.824B within rounding
Q1 2025 domains to Q1 2026 domains	$561.9mm x 1.043 = $586.1mm	Ties to disclosed $586.2mm within rounding
Q1 2025 Core other to Q1 2026 Core other	$186.0mm x 0.981 = $182.5mm	Ties to disclosed $182.5mm

The historical pattern is simple but important: Core Platform revenue has grown slowly, while profit has grown much faster. From FY2022 to FY2025, revenue compounded at about 2.9%, but Segment EBITDA compounded at about 8.8% because margin expanded from 27.9% to 33.0%. This is the core underwriting question for the segment. If margin expansion was mostly portfolio cleanup and operating leverage that can continue, Core can be a strong earnings compounder despite low revenue growth. If the margin lift was a one-time cleanup while growth decelerates, the forward contribution is much more limited.

7. Management Guidance - Quoted From Data Package Section 6

The data package provides short verified excerpts from Q2 2025 through Q1 2026 calls and the 2024 Investor Day. Relevant Core Platform commentary is reproduced below. These are not independently re-fetched in this appendix.

Data package row	Short verified excerpt	Topic	Interpretation
Section 6, Q2 2025 call dated 2025-08-07, Mark McCaffrey	"contribute to both A&C and core platform"	Airo attach crossing segments	Management is signaling that Airo-led higher-value cohorts are not only an A&C story. The base case should allow some Core benefit through domains, hosting, and bundle attach, but the data package provides no separate Core revenue uplift from Airo.
Section 6, Q3 2025 call dated 2025-10-30, Aman Bhutani	"sell more and more domains"	AI and domain demand	Management's claim is that AI-generated content and websites can increase domain demand rather than replace it. This supports a non-zero growth assumption for domains despite AI-disintermediation fears.
Section 6, Q4 2025 call dated 2026-02-24, Aman Bhutani	"domains funnel"	Top-of-funnel scale	Domains remain the acquisition surface for GoDaddy. This is a strategic asset because domain intent can feed A&C, hosting, security, and protection attach.
Section 6, Q1 2026 call dated 2026-04-30, Aman Bhutani	"world's largest domain registrar"	Domain market position	Scale supports trust and market visibility, but the same quarter's Core revenue growth was only 2.8%, so leadership does not justify a high-growth forecast by itself.
Section 6, Q1 2026 call dated 2026-04-30, Aman Bhutani	"does use GoDaddy hosting"	Airo AI Builder infrastructure	Airo may support hosting usage, but the data package explicitly says no hosting revenue uplift is separately disclosed. This belongs in the bull case as optionality, not in disclosed history.
Section 6, 2024 Investor Day dated 2024-03-06	"6%-8% Annual revenue growth"	Long-term company target	This is a company-level target, not a Core Platform guide. Given A&C grows faster than Core, Core should be modeled below the company range unless the analyst has evidence of acceleration.
Section 6, 2024 Investor Day dated 2024-03-06	"~33% NEBITDA margin in 2026"	Margin target	Company-level NEBITDA margin was already close to target in Q1 2026. Core Segment EBITDA margin is also around 33%, leaving room for incremental but not unlimited margin expansion.
Section 6, Q4 2025 call dated 2026-02-24, Mark McCaffrey	"strong operating leverage"	Margin expansion	This supports continued cost discipline and automation benefits, but must be weighed against hosting softness and price competition in registrar services.

[DATA GAP: Management commentary does not provide a Core Platform-specific five-year revenue CAGR target, product-level Core revenue targets, Core operating income, or hosting / security growth guidance.]

8. Forward Growth Assumptions - Explicit, Per Product, Justified

The forward model starts from disclosed TTM Core Platform revenue of $3.0829B. Because only Q1 2026 product dollars are disclosed, the model allocates the TTM base using Q1 2026 mix: 76.3% domains and 23.7% Core Platform other. This gives analyst-estimated TTM domains revenue of $2.351B and Core other revenue of $0.732B. This allocation is used solely to make the forecast reconstructable; it is not presented as a disclosed annual split.

Base case: Core Platform remains a cash engine. Domains grow faster than Core other because the Q1 disclosed split shows domains up 4.3% while Core other was down 1.9%. AI-assisted business formation, domain search, and aftermarket activity keep domains around low-to-mid single-digit growth. Core other stabilizes but does not become a growth engine because hosting is competitive and some low-value products are likely being retired or de-emphasized.

Product	TTM base revenue	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	TTM+5 revenue	Justification
Domains	$2.351B, analyst allocation from Q1 2026 mix	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	+4.3% in Q1 2026	No product guide; CEO Aman Bhutani said AI can help "sell more and more domains" on the Q3 2025 call dated 2025-10-30	4.0%	$2.862B	Base assumes Q1 domains growth is broadly sustainable but does not accelerate. DNIB shows global TLD registrations still grew in 2025, while GoDaddy's scale and brand support renewal economics.
Core Platform other	$0.732B, analyst allocation from Q1 2026 mix	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	-1.9% in Q1 2026	No product guide; CEO Aman Bhutani said Airo AI Builder "does use GoDaddy hosting" on the Q1 2026 call dated 2026-04-30, but no revenue uplift was disclosed	0.8%	$0.760B	Base assumes hosting, security, protection, and other platform products stabilize after Q1 weakness. Competition from Hostinger, Cloudflare, Wix, Squarespace, Shopify, and managed WordPress providers limits pricing and volume growth.
Core Platform total	$3.083B disclosed TTM	FY2022-FY2025 Core revenue CAGR 2.9%	+2.8% in Q1 2026	Company-level 2024 Investor Day target was 6%-8% revenue growth, but not segment-specific	3.3% implied	$3.622B	The total sits above the historical 3-year Core CAGR and above Q1 2026 growth because domains remain healthy, but below company guide because A&C is the faster-growth segment.

Bull case: GoDaddy turns the domain funnel into an AI-assisted creation funnel. Airo improves name search, bundled launch flows, and hosting attach; domain aftermarket remains active; low-value hosting churn is replaced by better-value platform products; and the domain market keeps expanding. The bull case still does not assume double-digit Core growth because domains are too mature and price-transparent.

Product	TTM base revenue	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	TTM+5 revenue	Justification
Domains	$2.351B	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	+4.3% in Q1 2026	No product guide; CEO Aman Bhutani emphasized the "domains funnel" on the Q4 2025 call dated 2026-02-24 and registrar leadership on the Q1 2026 call dated 2026-04-30	6.0%	$3.148B	Bull assumes AI creation increases domain search conversion, new TLDs add incremental demand, and renewal quality stays high enough for GoDaddy to price and attach.
Core Platform other	$0.732B	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	-1.9% in Q1 2026	No product guide; Airo hosting usage is a qualitative support point	2.5%	$0.827B	Bull assumes hosting weakness is portfolio cleanup, not structural decay, and security/protection attach offsets commodity hosting pressure.
Core Platform total	$3.083B disclosed TTM	FY2022-FY2025 Core revenue CAGR 2.9%	+2.8% in Q1 2026	Company-level target 6%-8%, not segment-specific	5.2% implied	$3.975B	The total approaches but remains below the company-level target range because Core is still the mature segment.

Bear case: low-cost registrars and platform-native website builders take incremental demand, while GoDaddy continues to harvest the base. Domains still grow slightly because renewals are sticky and the market is not shrinking, but price pressure and customer-count erosion limit growth. Core other declines because commodity hosting loses share and Airo does not create enough incremental hosting usage to offset substitution.

Product	TTM base revenue	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	TTM+5 revenue	Justification
Domains	$2.351B	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	+4.3% in Q1 2026	No product guide	1.5%	$2.534B	Bear assumes renewal inertia prevents collapse, but Cloudflare's at-cost registrar, Namecheap scale, and price-transparent transfers reduce GoDaddy's net domain growth and pricing power.
Core Platform other	$0.732B	Product annual CAGR not disclosed; Core total FY2022-FY2025 revenue CAGR 2.9%	-1.9% in Q1 2026	No product guide	-2.5%	$0.644B	Bear assumes Q1 weakness is structural: traditional hosting loses relevance to builders, commerce platforms, and modern developer / cloud stacks.
Core Platform total	$3.083B disclosed TTM	FY2022-FY2025 Core revenue CAGR 2.9%	+2.8% in Q1 2026	Company-level target 6%-8%, not segment-specific	0.6% implied	$3.178B	The total barely grows because domains are stable but Core other shrinks. This is a harvest case, not a collapse case.

Thesis-consistency check: The model does not force an abrupt fall from a very high disclosed growth rate. The latest Core total YoY is only 2.8%, domains are 4.3%, and Core other is -1.9%. The base case modestly improves the segment CAGR to 3.3% because the Q1 2026 product split suggests domains are healthier than hosting / other. The bull case requires clear evidence of AI-led domain and hosting attach. The bear case requires no recessionary collapse; it only requires competitive share loss and continued Core other erosion.

9. Forward Operating Margin Assumptions - Explicit and Justified

Historical profitability is disclosed as Segment EBITDA, not operating income. Current Core Segment EBITDA margin is 33.4% on TTM revenue and 33.0% in Q1 2026. Product-level margins are not disclosed. To make the forecast reconstructable, this appendix uses an analyst-estimated TTM margin split of 37.0% Segment EBITDA margin for domains and 21.8% for Core Platform other, which ties to the disclosed TTM segment Segment EBITDA of $1.0285B when applied to the analyst-estimated product revenue split. This is a modeling bridge, not a company disclosure.

Base margin case: domains gain scale and mix benefit, while Core other improves slightly from portfolio cleanup and automation but remains structurally lower margin. The base case projects a 35.6% TTM+5 Segment EBITDA margin. The analyst-estimated operating income margin is 31.6% after subtracting a 400 bps EBITDA-to-OI bridge for depreciation, amortization, stock-based compensation, and other operating costs not captured in Segment EBITDA.

Product	TTM revenue	TTM Segment EBITDA margin estimate	TTM+5 revenue	Base TTM+5 Segment EBITDA margin	Base Segment EBITDA	Mechanism
Domains	$2.351B	37.0%	$2.862B	39.0%	$1.116B	Renewal mix, aftermarket tooling, AI-assisted domain search, and support automation provide modest operating leverage.
Core Platform other	$0.732B	21.8%	$0.760B	23.0%	$0.175B	Portfolio cleanup, security/protection mix, and hosting automation offset competitive hosting pressure.
Core Platform total	$3.083B	33.4% disclosed Segment EBITDA margin	$3.622B	35.6%	$1.291B	Segment margin expands 220 bps from TTM as mix shifts toward domains and lower-value hosting is managed for profit.
Analyst-estimated operating income	n/a	n/a	$3.622B	31.6% analyst-estimated operating margin	$1.146B analyst-estimated OI	Uses Segment EBITDA margin less 400 bps bridge. [DATA GAP: segment operating income not disclosed.]

Bull margin case: domains mix is stronger, AI reduces support and onboarding cost, and Core other becomes more security/protection weighted. The bull case projects 38.1% Segment EBITDA margin and 34.6% analyst-estimated operating margin after a 350 bps bridge. A bridge narrower than base is justified only if automation and product mix reduce non-EBITDA operating drag.

Product	TTM revenue	TTM Segment EBITDA margin estimate	TTM+5 revenue	Bull TTM+5 Segment EBITDA margin	Bull Segment EBITDA	Mechanism
Domains	$2.351B	37.0%	$3.148B	41.0%	$1.291B	Better renewal pricing, higher attach, aftermarket liquidity, and AI support deflection.
Core Platform other	$0.732B	21.8%	$0.827B	27.0%	$0.223B	Hosting stabilizes and mix shifts toward higher-margin security, protection, and managed platform services.
Core Platform total	$3.083B	33.4% disclosed Segment EBITDA margin	$3.975B	38.1%	$1.514B	Scale and mix produce 470 bps of Segment EBITDA margin expansion from TTM.
Analyst-estimated operating income	n/a	n/a	$3.975B	34.6% analyst-estimated operating margin	$1.375B analyst-estimated OI	Uses Segment EBITDA margin less 350 bps bridge. [DATA GAP: segment operating income not disclosed.]

Bear margin case: domain price competition and hosting pressure reduce incremental margins. GoDaddy still manages the base profitably, but the segment cannot keep expanding margins if growth is weak and customer acquisition becomes more promotional. The bear case projects 31.4% Segment EBITDA margin and 26.9% analyst-estimated operating margin after a 450 bps bridge.

Product	TTM revenue	TTM Segment EBITDA margin estimate	TTM+5 revenue	Bear TTM+5 Segment EBITDA margin	Bear Segment EBITDA	Mechanism
Domains	$2.351B	37.0%	$2.534B	35.0%	$0.887B	Renewal base remains profitable, but transfers, promotions, and lower attach reduce margin.
Core Platform other	$0.732B	21.8%	$0.644B	17.0%	$0.109B	Commodity hosting decline and security/support cost inflation pressure profitability.
Core Platform total	$3.083B	33.4% disclosed Segment EBITDA margin	$3.178B	31.4%	$0.996B	Segment EBITDA margin falls about 200 bps from TTM as mix and pricing worsen.
Analyst-estimated operating income	n/a	n/a	$3.178B	26.9% analyst-estimated operating margin	$0.853B analyst-estimated OI	Uses Segment EBITDA margin less 450 bps bridge. [DATA GAP: segment operating income not disclosed.]

The margin model deliberately avoids assuming endless expansion. Core already improved from 25.3% Segment EBITDA margin in FY2021 to 33.4% TTM. The base case gives credit for another 220 bps of Segment EBITDA margin expansion over five years, which is meaningful but slower than the FY2021-FY2025 improvement. The bull case requires true mix improvement and automation. The bear case shows that even modest revenue growth can produce lower profit if domain pricing and hosting mix deteriorate.

10. Segment Rollup - Bottoms-up Arithmetic

The rollup ties directly to sections 8 and 9. TTM base revenue is the disclosed Core Platform TTM revenue of $3.0829B. Product revenue allocation is analyst-estimated from Q1 2026 mix because annual product-level Core dollars are not disclosed. Operating income is analyst-estimated from Segment EBITDA using the bridge described above.

Case	Domains TTM+5 revenue	Core other TTM+5 revenue	Segment TTM+5 revenue	Segment EBITDA margin	Segment EBITDA	Analyst-est. OI margin	Analyst-est. OI
Bear	$2.534B	$0.644B	$3.178B	31.4%	$0.996B	26.9%	$0.853B

Case	Domains TTM+5 revenue	Core other TTM+5 revenue	Segment TTM+5 revenue	Segment EBITDA margin	Segment EBITDA	Analyst-est. OI margin	Analyst-est. OI
Base	$2.862B	$0.760B	$3.622B	35.6%	$1.291B	31.6%	$1.146B
Bull	$3.148B	$0.827B	$3.975B	38.1%	$1.514B	34.6%	$1.375B

Arithmetic checks:

Case	Revenue tie	Margin tie	OI tie
Bear	$2.534B + $0.644B = $3.178B	$0.996B / $3.178B = 31.4% Segment EBITDA margin	$3.178B x 26.9% = $0.853B
Base	$2.862B + $0.760B = $3.622B	$1.291B / $3.622B = 35.6% Segment EBITDA margin	$3.622B x 31.6% = $1.146B
Bull	$3.148B + $0.827B = $3.975B	$1.514B / $3.975B = 38.1% Segment EBITDA margin	$3.975B x 34.6% = $1.375B

Probability-weighted view: base receives the largest weight because it follows the actual recent data: domains are positive, Core other is weak, and margins are high but still improving. The bull case is plausible if Airo turns the domain funnel into a broader creation workflow, but there is not yet disclosed product revenue to underwrite that as the default. The bear case is plausible because the competitive set is real and visible, but the renewal book and domain-market growth make a severe revenue decline too punitive without further evidence.

11. Key Risks and Wildcards

Bear - domain price transparency and transfers: Cloudflare's at-cost registrar positioning and Namecheap's scale create a clear low-price alternative for customers who understand renewal economics. If GoDaddy must defend the base with lower renewal markups or promotions, Core revenue growth and margin both weaken.

Bear - hosting substitution: Traditional shared hosting and SMB hosting can lose relevance as customers choose Shopify for commerce, Wix or Squarespace for simple websites, Hostinger or Namecheap for low-cost hosting, managed WordPress providers for WordPress, and Vercel / Netlify / hyperscalers for developer workflows. Q1 2026 Core other revenue was already down 1.9%.

Bear - customer-count erosion: The data package shows total customers declined in recent quarters, while ARPU growth remained high. This mix can be rational portfolio management, but it can also signal that GoDaddy is leaning on price and mix while the customer base shrinks.

Base - AI creation helps but does not transform Core: The base case assumes Airo and AI-assisted search support domain demand and hosting attach, but not enough to turn Core into a high-growth segment. This is the most evidence-consistent position because management commentary is positive but product revenue disclosure is absent.

Bull - Airo turns domains into a higher-conversion launch workflow: If customers use GoDaddy to name, register, host, secure, and launch businesses in one AI-assisted flow, Core could regain mid-single-digit growth and expand margins through automation.

Bull - aftermarket and premium domains outperform: GoDaddy's brand and marketplace liquidity may create upside if premium and aftermarket transactions remain healthy. This is not separately disclosed in the data package, so it is a wildcard rather than a base driver.

Base / bear - regulatory and security obligations: Registrar compliance, privacy, abuse handling, cybersecurity, and domain hijacking prevention are not optional. Any major breach, abuse-policy change, or compliance cost shock could raise support and infrastructure costs.

Bear / bull - TLD mix: DNIB shows strong new-gTLD growth but lower renewal rates than .com/.net. If GoDaddy captures high-quality new-TLD demand, growth improves. If demand is speculative and churn-heavy, promotions can inflate registrations without durable revenue.

Summary table:

Case	Segment TTM+5y Revenue	Analyst-est. Segment TTM+5y Op Margin	Analyst-est. Segment TTM+5y Op Income	Probability
Bear	$3.178B	26.9%	$0.853B	25%

Case	Segment TTM+5y Revenue	Analyst-est. Segment TTM+5y Op Margin	Analyst-est. Segment TTM+5y Op Income	Probability
Base	$3.622B	31.6%	$1.146B	55%
Bull	$3.975B	34.6%	$1.375B	20%

Note: "Op Margin" and "Op Income" in the summary table are analyst-estimated segment operating profit measures derived from disclosed Segment EBITDA. GoDaddy does not disclose Core Platform operating income. The disclosed profitability metric is Segment EBITDA.

Sources

[^dnib]: DNIB, "The DNIB Quarterly Report Q4 2025," accessed 2026-05-09, https://www.dnib.com/articles/the-domain-name-industry-brief-q4-2025. [^cloudflare]: Cloudflare, "Cloudflare Registrar," accessed 2026-05-09, https://www.cloudflare.com/en-ca/products/registrar/. [^namecheap]: Namecheap, "Namecheap Annual Domain Registration Report Offers Insights and Trends for 2026," 2026-01-29, https://www.namecheap.com/about/press-releases/26-01-29/namecheap-domain-registration-report-offers-insights-for-2026/. [^w3techs]: W3Techs, "Market shares of web hosting providers," accessed 2026-05-09, https://w3techs.com/technologies/overview/web_hosting.

Appendix B2 - Applications and Commerce

Applications and Commerce - Segment Deep Dive

Company: GoDaddy Inc. (GDDY) Segment: Applications and Commerce (A&C) TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31 Forward horizon: TTM + five calendar years, ending 2031-03-31 Source hierarchy: GoDaddy data package controls all GoDaddy historical revenue, growth, margin, and management commentary. External sources are used only for competitive context.

0. Segment boundary + taxonomy note

Applications and Commerce is one of GoDaddy's two current reportable segments. The current two-segment taxonomy is usable for FY2021 through FY2025 because GoDaddy's FY2022 Form 10-K included a restatement bridge from the older Domains, Hosting and Presence, and Business Applications taxonomy into the current A&C and Core Platform taxonomy. The boundary year is therefore before the FY2021-FY2025 official segment series used here. This appendix uses only the official restated SEC / GoDaddy segment tables reproduced in the data package. The FMP quarterly segmentation endpoint was explicitly flagged as broken in the data package and is not used.

Important modeling convention: GoDaddy does not disclose segment operating income. It discloses segment revenue and Segment EBITDA. Any "segment operating margin" or "segment operating income" in this appendix is therefore a Segment EBITDA margin / Segment EBITDA profit proxy unless stated otherwise. That is not the same as GAAP operating income; it excludes certain unallocated corporate costs, depreciation and amortization, stock-based compensation, and other reconciliation items. The data package is explicit that downstream agents should not fabricate segment operating income.

1. What this segment actually is

Applications and Commerce is GoDaddy's software-and-services layer for entrepreneurs after, alongside, or sometimes before the domain purchase. In plain language, it is the part of the company that helps a small business get online, look credible, communicate with customers, run basic marketing, accept payments, and manage the productivity tools attached to its digital identity. The segment includes Websites, website builder / Websites + Marketing, commerce and payments-related tools, marketing products, third-party email and productivity offerings, Airo-enabled experiences, and other software or presence tools sold to entrepreneurs. The data package describes A&C as "Websites, commerce, marketing, payments-related tools, third-party email/productivity offerings, and other presence / software tools sold to entrepreneurs" and reports FY2025 segment revenue of $1.889 billion, or 38.2% of GoDaddy's total revenue [data_package Â§1, Reporting structure table row Applications and Commerce].

The customer is usually an individual entrepreneur, microbusiness, creator, local services provider, or small business with limited technical staff. That matters for strategy. GoDaddy is not primarily selling a developer platform to a software team; it is selling packaged outcomes to customers that often do not want to assemble a domain registrar, hosting service, website builder, email system, payments processor, marketing stack, analytics tool, and AI assistant themselves. The segment's value proposition is convenience, integration, and low-friction launch rather than best-of-breed depth in any single application category.

The pricing model is a mix of subscription, renewal, add-on, usage, and transactional economics. Websites and marketing tools generally behave like recurring subscriptions. Third-party productivity products are resold or bundled subscription services. Commerce and payments can include subscription components, transaction-related economics, and revenue-share economics, depending on product. Airo AI Builder appears to include subscription and credit monetization; the data package notes that management disclosed more than $10 million of annualized bookings run-rate for Airo AI Builder, but also warns that this is bookings, not GAAP revenue [data_package Â§4, Airo / Airo.ai row; Â§10 data gap 4]. This is a leading indicator, not a disclosed revenue line.

The go-to-market motion is unusual because A&C benefits from GoDaddy's Core Platform funnel. A customer who buys a domain or domain protection product has already declared an intention to build a digital presence. That creates attach opportunities into website creation, branded email, scheduling, marketing, commerce, and payments. Management's "identity, presence and commerce" framing, reproduced in the data package, is the clearest summary of the intended bundle [data_package Â§6, A&C / Airo table row Q4 2025 call]. A&C is therefore both a standalone segment and a monetization layer on top of GoDaddy's domain customer base.

2. Current economics (FY2025 and TTM)

A&C is the faster-growth and higher-margin segment inside GoDaddy. FY2025 revenue was $1.889 billion, up 14.3% year over year, with Segment EBITDA of $0.857 billion and Segment EBITDA margin of 45.4% [data_package Â§3, A&C table rows Revenue, YoY, Segment EBITDA, Segment EBITDA margin]. The TTM anchor is even slightly larger: Q2 2025 through Q1 2026 A&C revenue was $1.9408 billion and A&C Segment EBITDA was $0.8852 billion, implying a 45.6% Segment EBITDA margin [data_package Â§5, TTM row and TTM values paragraph].

The recent quarterly trend is still double-digit growth, but decelerating. A&C revenue grew 14.4% in Q2 2025, 13.7% in Q3 2025, 12.8% in Q4 2025, and 11.6% in Q1 2026 [data_package Â§5, quarterly trend table rows Q2 2025 through Q1 2026]. Segment EBITDA margin moved from 44.4% in Q2 2025 to 45.7% in Q3, 47.1% in Q4, and 45.2% in Q1 2026 [data_package Â§5, same rows]. This is the core tension in the segment: growth is still much better than Core Platform, but the rate is easing while the margin is already high.

Product mix is not separately disclosed in dollars. The data package says the finest recurring dollar disclosure is the two reportable segments, and that GoDaddy does not disclose separate annual dollar revenue for Websites, Commerce, Payments, Email/Productivity, Hosting, Security, domain protection, or aftermarket domains across the last three fiscal years [data_package Â§4, introductory paragraph and product table]. For A&C specifically, the disclosed product rows are Websites / website builder / Websites + Marketing, Commerce / payments / marketing suite, and Third-party email and productivity, each with "No standalone annual dollars" and "Included inside A&C" as the dollar disclosure status [data_package Â§4, A&C product rows]. Any product-level forward split in this appendix is therefore an analyst allocation, not a reported historical series.

Capital intensity is low at the company level. GoDaddy's capex was $24 million in FY2025, or 0.5% of revenue, after $27 million in FY2024, or 0.6% of revenue [data_package Â§7, Capital allocation table]. A&C itself likely consumes product engineering, data, cloud / hosting infrastructure, partner costs, payment processing costs, sales and marketing, customer care, and AI compute or model costs, but the company does not disclose segment-level capex. This is an asset-light software and services segment, not a capital-heavy commerce logistics network.

3. Unit economics

The A&C unit-economic engine starts with the domain and presence funnel. A customer arrives through a domain search, domain purchase, renewal flow, or direct product search. GoDaddy can then attach website builder, marketing, email, commerce, and payments tools. The incremental revenue from these tools should carry high gross margin because the customer relationship, billing system, brand trust, support channel, and renewal cadence are already in place. That is the economic reason A&C can report a Segment EBITDA margin above 45% despite serving small customers.

The key margin drivers are product mix, attach rate, support intensity, third-party cost, and reinvestment. Websites and proprietary marketing tools should have attractive software gross margins once acquired. Third-party email and productivity can be stickier and useful for ARPU, but likely has lower gross margin because GoDaddy remits a meaningful portion of economics to the underlying productivity vendor. Commerce and payments can be attractive if transaction revenue scales, but payments also introduces processing costs, fraud, compliance, chargeback, and customer-support needs. Airo and AI Builder can raise attach and conversion, but inference costs and product development spending are real if AI usage grows faster than monetization.

The historical margin record is strong. A&C Segment EBITDA margin rose from 39.7% in FY2021 to 40.9% in FY2022, 41.5% in FY2023, 44.7% in FY2024, and 45.4% in FY2025 [data_package Â§3, A&C table row Segment EBITDA margin]. That is 570 basis points of expansion over four years while revenue compounded at roughly 13.8% from FY2021 to FY2025. The most likely explanation is a combination of scale leverage, pricing / bundling, attach into higher-value products, and disciplined opex. The data package's KPI table supports the same pattern at the company level: ARPU grew 9.5%, 10.2%, 10.0%, and 9.3% year over year in Q2 2025, Q3 2025, Q4 2025, and Q1 2026, respectively, while total customer counts were declining or not shown [data_package Â§4, Products / KPIs table]. Higher ARPU with fewer customers is consistent with mix and pricing doing more of the work than pure customer growth.

What breaks the unit economics? First, if Airo or website-builder competition forces GoDaddy to include more AI functionality without pricing for compute, gross margin could compress. Second, if third-party productivity products become a larger mix item and carry lower retained margin, Segment EBITDA margin could stall. Third, if GoDaddy has to spend materially more on paid acquisition because the domain funnel weakens, A&C loses one of its biggest structural advantages. Fourth, if customer support intensity rises because AI-generated sites, commerce setup, or payment disputes become more complex, the

low-touch SMB software model becomes less efficient.

The base-case assumption is that A&C can hold and modestly expand segment EBITDA margin because the segment already has proof of operating leverage. The bear case assumes the margin ceiling is closer than it appears: growth decelerates, AI costs rise, and mix shift into lower-margin third-party or commerce products offsets scale. The bull case assumes GoDaddy's AI onboarding reduces support friction, raises conversion, and increases attach into proprietary products enough to push the segment into low-50s Segment EBITDA margin by the horizon.

4. Competitive dynamics

A&C competes across several overlapping markets rather than one clean category. In website creation and presence, the obvious competitors are Wix, Squarespace, Shopify's storefront tools, WordPress ecosystem vendors, website-hosting bundles, and AI-native website builders. In commerce, GoDaddy competes with Shopify, Wix Business Solutions, Squarespace Commerce, Square, PayPal, Stripe-enabled tools, and vertical SaaS platforms that include payments. In email and productivity, it competes indirectly with Microsoft 365, Google Workspace, and other resellers or direct sellers. In marketing, it competes with Mailchimp, Constant Contact, HubSpot's lower-end products, social ad platforms, and embedded marketing tools inside commerce platforms.

Wix is the closest public website-builder peer. Its 2025 Form 20-F says revenue is composed of Creative Subscriptions and Business Solutions, with Business Solutions including applications, Google Workspace, Payments by Wix, paid ad campaigns, and email marketing [Wix 2025 Form 20-F, lines 2151-2163: https://www.sec.gov/Archives/edgar/data/1576789/000162828026015222/wix-20251231.htm]. That is almost a mirror of the A&C bundle. Wix also began disclosing revenue between Partners and Self-Creators, with 2025 revenue of $750.3 million from Partners and $1.243 billion from Self-Creators [Wix 2025 Form 20-F, lines 5204-5213]. Wix's disclosed split underscores a competitive difference: Wix has a more explicit professional / agency platform motion, while GoDaddy's advantage is the domain and SMB identity funnel.

Shopify is a more dangerous competitor in commerce than in generic presence. Shopify's Q4 2025 release reported 2025 revenue of $11.556 billion, up 30%, and GMV of $378.441 billion, up 29% [Shopify Q4 2025 release, lines 15-24: https://www.sec.gov/Archives/edgar/data/1594805/000159480526000006/exhibit991pressreleaseq420.htm]. Shopify also highlighted more than 14% U.S. ecommerce market share, 96% B2B GMV growth, 37% gross payments volume growth, and 62% Shop Pay GMV growth [same release, lines 60-74]. GoDaddy is not trying to out-Shopify Shopify for serious merchants. The A&C opportunity is more likely in the long tail: service businesses, micro-merchants, appointment-based businesses, local stores, creators, and domain-led entrepreneurs that need "good enough" commerce embedded in a broader presence product.

Squarespace remains relevant because it sells a polished website and commerce experience to SMBs and creators, and its 2024 take-private by Permira provides it with a sponsor-backed operating environment away from public-market quarterly pressure. Squarespace's announcement said founder Anthony Casalena remained CEO and that Permira had experience in SMB-enablement software, digital commerce, fintech, and online marketplaces [Squarespace / Permira release, lines 499 and 513: https://www.squarespace.com/press-releases/2024/10/17/permira-completes-acquisition-of-squarespace]. The competitive implication is not that Squarespace will outscale GoDaddy, but that the category still attracts committed capital and product investment.

Pricing power varies by layer. GoDaddy likely has better pricing power when the product is attached to a domain, business identity, or renewal bundle. Switching a domain, website, email address, and commerce setup is tedious for a small business; the customer may tolerate annual price increases or bundle migrations if the business keeps working. Pricing power is weaker in standalone website builder and email because customers can compare visible subscription prices. It is weakest where GoDaddy is reselling third-party productivity tools or competing against large ecosystems that can subsidize distribution.

Entry barriers are moderate, not absolute. It is easy to launch an AI website builder, but hard to replicate GoDaddy's installed domain customer base, brand awareness among small businesses, renewal billing relationships, support operations, and registrar funnel. Shopify's commerce network effects and Wix's design / partner ecosystem are also meaningful. The market is therefore not protected by a single patent-like moat; it is protected by distribution, workflow integration, customer inertia, and cumulative product breadth.

Substitution risk is rising because AI can reduce website creation complexity. If a customer can ask a general-purpose AI assistant to create a site, logo, copy, booking page, and payment link, the website builder itself is less differentiated. Management is trying to turn this risk into a feature through Airo. The question is whether Airo makes GoDaddy more relevant

as the SMB's integrated digital agent, or whether AI compresses the willingness to pay for basic websites. This is the main five-year strategic uncertainty for A&C.

5. Moat at the segment level

A&C has a real but conditional moat. It is not a deep product moat in the sense of a unique commerce engine, proprietary productivity suite, or developer ecosystem. The segment's protection comes from GoDaddy's domain funnel, SMB brand, billing relationship, data on entrepreneurial intent, support infrastructure, and ability to bundle identity, presence, and commerce. That moat is valuable because the target customer prizes convenience and confidence over perfect modular optimization.

The domain funnel is the highest-quality moat component. A domain search is an intent signal. If GoDaddy can use that moment to recommend a business name, logo, email address, site, commerce flow, and marketing plan, it can capture economics before a competitor enters the decision set. Management's Airo strategy appears designed to increase that conversion. The data package includes management's Q4 2025 statement around "identity, presence and commerce" and its Q4 reference to a "nearly 30% lift" in Airo attach [data_package Â§6, A&C / Airo rows Q4 2025]. Those are not revenue figures, but they support the idea that AI can improve the existing funnel.

Customer inertia is the second moat component. Once an SMB's domain, website, email, payment link, SEO footprint, marketing contacts, and customer communications are tied together, switching costs become practical rather than contractual. The customer may not love every product, but moving everything is a hassle. This supports renewal economics and ARPU expansion.

The moat is less durable in high-end commerce. Shopify has greater commerce scale, merchant ecosystem depth, payments penetration, and partner development. The Shopify figures cited above show a competitor growing 30% at a much larger revenue base. A&C should not be modeled as if it will take meaningful share from Shopify's core merchant base. GoDaddy can win the "starting a business / getting online" moment and monetize simple commerce, but its moat weakens as merchants become sophisticated.

Over five to ten years, I would score A&C's moat as medium. It is stronger than a standalone AI website builder because GoDaddy owns the domain-intent surface and has a large SMB customer base. It is weaker than Shopify in commerce and weaker than Microsoft / Google in productivity. The most attractive outcome is not category domination; it is continued attach, bundle pricing, and AI-assisted ARPU expansion across a very large base of small businesses.

6. Historical growth rates - reproduced from data package, not re-derived

The table below uses the official A&C segment line because GoDaddy does not disclose product-level A&C dollar revenue. The product rows under A&C in the data package are explicitly non-dollar-disclosed. Therefore, the historical product table cannot be split into Websites, Commerce, Payments, Email/Productivity, or Airo without fabrication.

Product / sub-segment	FY2021 rev	FY2022 rev	FY2023 rev	FY2024 rev	FY2025 rev	3-yr CAGR (FY2022-FY2025)	Most recent YoY	Data package cite
Applications and Commerce total	$1.128B	$1.280B	$1.430B	$1.653B	$1.889B	13.9%	Q1 2026 +11.6%	FY2021-FY2025 revenue: [data_package Â§3, A&C table row Revenue]; FY2022-FY2025 YoY: [data_package Â§3, A&C table row YoY]; latest YoY: [data_package Â§5, Q1 2026 row]
Websites / website builder / Websites + Marketing	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	n/a	n/a	[data_package Â§4, Product table row A&C Websites / website builder / Websites + Marketing]
Commerce / payments / marketing suite	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	n/a	n/a	[data_package Â§4, Product table row A&C Commerce / payments / marketing suite]

Product / sub-segment	FY2021 rev	FY2022 rev	FY2023 rev	FY2024 rev	FY2025 rev	3-yr CAGR (FY2022-FY2025)	Most recent YoY	Data package cite
Third-party email and productivity	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	Not separately disclosed	n/a	n/a	[data_package Â§4, Product table row A&C Third-party email and productivity]
Airo / Airo AI Builder	No GAAP revenue dollars disclosed	No GAAP revenue dollars disclosed	No GAAP revenue dollars disclosed	No GAAP revenue dollars disclosed	No GAAP revenue dollars disclosed	n/a	No GAAP product revenue growth disclosed	[data_package Â§4, Products / KPIs table row Airo / Airo.ai / Airo AI Builder]

Arithmetic tie-out, official A&C row: $1.128B x 1.134 = $1.280B; $1.280B x 1.118 = $1.431B, which rounds to the disclosed $1.430B; $1.430B x 1.156 = $1.653B; $1.653B x 1.143 = $1.889B. The row satisfies the required internal arithmetic check within 2%.

The segment's historical growth is unusually consistent for a mature SMB software bundle. A&C grew 13.4% in FY2022, 11.8% in FY2023, 15.6% in FY2024, and 14.3% in FY2025 [data_package Â§3, A&C YoY row]. The TTM recency signal is lower but still healthy: Q1 2026 A&C revenue was up 11.6% year over year, and the TTM A&C revenue base of $1.9408 billion is 2.7% above FY2025 revenue despite covering only one quarter beyond FY2025 [data_package Â§5, Q1 2026 row and TTM values paragraph].

7. Management guidance - quoted from data package Section 6

The management-commentary items below are reproduced from the data package. They are short excerpts, and the data package preserves the source call dates and speakers.

Data package row	Speaker / source	Verified excerpt	Interpretation
[data_package Â§6, A&C / Airo row Q2 2025 CFO]	Mark McCaffrey, CFO	"A&C revenue growth of 14%"	This anchors A&C as the main growth engine in mid-2025. A model that pushes A&C immediately to low-single-digit growth needs a specific deterioration thesis.
[data_package Â§6, A&C / Airo row Q2 2025 CEO]	Aman Bhutani, CEO	"completely enabled for Agentic AI"	Management wants Airo to be a broad product experience. This supports higher attach and conversion assumptions, but does not provide product revenue dollars.
[data_package Â§6, A&C / Airo row Q3 2025 CEO]	Aman Bhutani, CEO	"dozens of agents on Airo.ai"	Release velocity appears high. The investment question is monetization and retention, not whether GoDaddy is shipping features.
[data_package Â§6, A&C / Airo row Q3 2025 CFO]	Mark McCaffrey, CFO	"near perfect retention rates"	Management claims Airo-exposed cohorts retain well. This supports the base case, but it is qualitative and should be checked against ARR, bookings, and ARPU.
[data_package Â§6, A&C / Airo row Q4 2025 CEO]	Aman Bhutani, CEO	"identity, presence and commerce"	This is the strategic bundle. A&C should be modeled as an integrated attach layer, not simply a generic website-builder line.
[data_package Â§6, A&C / Airo row Q4 2025 CEO]	Aman Bhutani, CEO	"nearly 30% lift"	The excerpt supports attach improvement from Airo. It is not a disclosed revenue lift and should not be directly capitalized into historical product dollars.
[data_package Â§6, A&C / Airo row Q1 2026 CEO]	Aman Bhutani, CEO	"subscription and credits"	Airo AI Builder monetization includes subscriptions and credits. The $10mm-plus annualized bookings run-rate is a useful leading indicator but not recognized revenue.
[data_package Â§6, Margins / Investor Day row]	2024 Investor Day deck	"6%-8% Annual revenue growth"	Company-level long-term revenue framework. A&C can grow above this if Core grows below it, but the consolidated framework is a guardrail.

Data package row	Speaker / source	Verified excerpt	Interpretation
[data_package Â§6, Margins / Investor Day row]	2024 Investor Day deck	"~33% NEBITDA margin in 2026"	Segment-level margins are already higher than consolidated NEBITDA margin because corporate costs are excluded. The relevant takeaway is management's commitment to operating leverage.
[data_package Â§6, Margins / Q4 2025 CFO row]	Mark McCaffrey, CFO	"strong operating leverage"	Supports the assumption that AI and product investment can be funded without major margin degradation, unless compute or support costs outrun monetization.
[data_package Â§6, Margins / Q1 2026 CFO row]	Mark McCaffrey, CFO	"compounding free cash flow"	Reinforces that management will likely manage A&C for profitable growth rather than pure revenue acceleration.

[DATA GAP: GoDaddy does not disclose A&C product-level ARR, bookings, paid seats, GPV, payment volume, or GAAP revenue by Websites, Commerce, Payments, Email/Productivity, or Airo. Management commentary gives directional attach and Airo bookings indicators only.]

8. Forward growth assumptions - explicit, per product, justified

Because product-level history is not disclosed, the forward model uses a transparent analyst allocation of the TTM A&C revenue base into four economic buckets. These buckets are not historical disclosures. They are only a modeling device to make the segment rollup reconstructable. The allocation sums exactly to the official TTM A&C revenue of $1.9408 billion [data_package Â§5, TTM values paragraph].

Analyst allocation of current TTM A&C revenue:

Forward modeling bucket	TTM revenue base	Disclosure status
Websites / presence / Airo-led creation and attach	$0.900B	Analyst allocation within disclosed A&C total; product dollars not disclosed
Commerce / marketing / payments	$0.430B	Analyst allocation within disclosed A&C total; product dollars not disclosed
Third-party email and productivity	$0.510B	Analyst allocation within disclosed A&C total; product dollars not disclosed
Other A&C add-ons and bundled tools	$0.1008B	Analyst allocation within disclosed A&C total; product dollars not disclosed
Total A&C	$1.9408B	Official TTM A&C segment revenue

Base case growth assumptions

Product / bucket	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Websites / presence / Airo-led creation and attach	A&C total 13.9%	A&C Q1 2026 +11.6%	Airo attach and retention commentary; no product guide	8.0%	$1.322B	Growth decelerates from the A&C historical rate because website-builder penetration matures and AI makes basic site creation more competitive. It stays above company guide because Airo should improve conversion and attach in the domain funnel.
Commerce / marketing / payments	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	11.0%	$0.725B	Commerce starts from a smaller estimated base and can grow faster than websites through transaction attach, marketing tools, and SMB digitization. The rate remains far below Shopify's 2025 revenue growth because GoDaddy is mainly serving simpler long-tail merchants.

Product / bucket	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Third-party email and productivity	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	6.5%	$0.699B	Email and productivity benefit from domain attach and ARPU expansion, but resale economics and mature penetration limit growth. This line is modeled closer to the company-level 6%-8% Investor Day revenue framework.
Other A&C add-ons and bundled tools	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	5.0%	$0.129B	Smaller add-ons grow with the installed base and bundling, but the lack of separate disclosure argues against aggressive assumptions.
Total A&C	13.9%	+11.6%	Company long-term 6%-8%; A&C-specific double-digit commentary	8.2% blended	$2.874B	The blended base case is a controlled deceleration from 13.9% historical CAGR and 11.6% latest YoY to an 8.2% five-year CAGR, consistent with maturation but still above Core-like growth.

Base-case year-by-year deceleration for total A&C: 10.5% in year 1, 9.0% in year 2, 8.0% in year 3, 7.0% in year 4, and 6.5% in year 5. The path is deliberately gradual because A&C has not yet broken below double-digit growth; the model does not assume a sudden cliff.

Bull case growth assumptions

Product / bucket	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Websites / presence / Airo-led creation and attach	A&C total 13.9%	A&C Q1 2026 +11.6%	Airo attach and retention commentary; no product guide	11.5%	$1.551B	Bull case assumes Airo becomes a materially better onboarding layer, raising site creation, publishing, and add-on conversion without commoditizing price. Growth roughly holds near recent levels rather than fading quickly.
Commerce / marketing / payments	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	15.5%	$0.884B	Commerce becomes the fastest A&C bucket as more customers accept payments and buy marketing tools. This is still modest versus Shopify's 30% 2025 revenue growth because GoDaddy is not modeled as winning high-end commerce share.
Third-party email and productivity	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	8.5%	$0.767B	Better bundling and business-identity attach keep productivity growth above company-level guide. Resale economics keep the rate below commerce.
Other A&C add-ons and bundled tools	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	7.0%	$0.141B	Add-ons benefit from broader bundle adoption and improved recommendations in Airo.
Total A&C	13.9%	+11.6%	Company long-term 6%-8%; A&C-specific double-digit commentary	11.5% blended	$3.343B	Bull case assumes recent double-digit growth proves durable because AI improves attach, customer quality, and ARPU enough to offset customer-count pressure.

Bear case growth assumptions

Product / bucket	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Websites / presence / Airo-led creation and attach	A&C total 13.9%	A&C Q1 2026 +11.6%	Airo attach and retention commentary; no product guide	3.5%	$1.069B	Bear case assumes AI commoditizes basic websites faster than GoDaddy can monetize Airo. The domain funnel still prevents collapse, but growth falls toward low-single digits.
Commerce / marketing / payments	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	6.5%	$0.589B	Commerce still grows because SMBs need payments and marketing, but Shopify, Square, Wix, and vertical SaaS take the better merchants. GoDaddy remains a starter-commerce option.
Third-party email and productivity	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	2.5%	$0.577B	Mature attachment, price resistance, and direct competition from Microsoft / Google limit growth.
Other A&C add-ons and bundled tools	A&C total 13.9%	A&C Q1 2026 +11.6%	No product-dollar guide	2.0%	$0.111B	Add-ons grow only with price and base retention.
Total A&C	13.9%	+11.6%	Company long-term 6%-8%; A&C-specific double-digit commentary	3.9% blended	$2.346B	Bear case requires a meaningful deceleration versus history. It is plausible only if AI reduces willingness to pay for basic presence tools and A&C loses attach momentum.

The thesis-consistency check is important. A&C's latest official YoY growth is 11.6%, not 39%, so the base-case deceleration to an 8.2% five-year CAGR is not extreme. It assumes the segment remains a growth engine but no longer compounds at the FY2021-FY2025 mid-teens pace. The bear case is intentionally harsher because it embeds category commoditization and competitive leakage, while the bull case keeps growth close to the recent run-rate without assuming Shopify-like commerce acceleration.

9. Forward Segment EBITDA margin assumptions - explicit and justified

Current A&C Segment EBITDA margin is 45.6% on the TTM base, calculated from $0.8852 billion of Segment EBITDA and $1.9408 billion of revenue [data_package Â§5, TTM values paragraph]. FY2025 margin was 45.4%, and the five-year margin series improved from 39.7% in FY2021 to 45.4% in FY2025 [data_package Â§3, A&C table row Segment EBITDA margin]. The segment already has high profitability, so the base case does not assume unlimited expansion. The product-level margin rows below are analyst allocation mechanics only; GoDaddy discloses A&C Segment EBITDA, not product profit or segment operating income.

The key margin mechanisms are:

- Mix shift: proprietary website, marketing, and software tools should carry higher retained margin than resold productivity products or payment-processing revenue.
- Scale leverage: shared engineering, support, billing, and customer acquisition infrastructure should absorb revenue growth efficiently.
- AI cost: Airo can improve conversion and reduce friction, but inference, model tooling, and product development can pressure margin if not priced.
- Competitive pricing: website-builder and starter-commerce competition can limit price increases.
- Support intensity: more commerce, payments, and AI-generated workflows can increase customer care and compliance costs.

Product-level margin assumptions

Product / bucket	Current margin evidence	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Websites / presence / Airo-led creation and attach	Product margin not disclosed; A&C TTM margin 45.6%	43.0%	47.0%	50.0%	Bear: AI compute and pricing pressure offset scale. Base: attach and proprietary mix add modest leverage. Bull: AI onboarding raises conversion and lowers support per successful customer.
Commerce / marketing / payments	Product margin not disclosed; A&C TTM margin 45.6%	46.0%	50.0%	54.0%	Commerce and marketing can be high-value add-ons, but payments costs cap upside. Bull assumes more software / marketing mix, not just processing spread.
Third-party email and productivity	Product margin not disclosed; likely lower retained margin than proprietary tools	42.0%	45.0%	47.0%	Resale and partner economics limit margin expansion. Bundling and renewal leverage offset some pressure.
Other A&C add-ons and bundled tools	Product margin not disclosed	38.0%	42.0%	45.0%	Smaller tools have less scale and may include mixed third-party economics.

Segment margin rollup

Case	TTM+5y revenue	TTM+5y Segment EBITDA proxy	Blended Segment EBITDA margin	Change vs TTM	Justification
Bear	$2.346B	$1.015B	43.3%	-230 bps	Margin falls because growth slows, AI compute is not fully monetized, and mix shifts toward lower-margin resale / support-heavy activity.
Base	$2.874B	$1.352B	47.0%	+140 bps	Margin expands modestly from scale, attach, and product mix. The increase is above 100 bps, so the explicit mechanism is proprietary software mix plus shared-funnel leverage.
Bull	$3.343B	$1.677B	50.2%	+460 bps	Bull case requires stronger proprietary mix, Airo-led conversion, reduced friction, and high incremental margins. It is possible but not the default because current margins are already high.

The base-case margin expansion is believable but not automatic. GoDaddy's A&C margin improved 570 bps from FY2021 to FY2025 [data_package Â§3, A&C table row Segment EBITDA margin], so another 140 bps over five years is not heroic. The bear case recognizes that a segment with 45%+ margin has less room for error: AI usage, payment support, and competitive discounting can quickly absorb incremental scale leverage. The bull case is a high-quality software outcome, not a payment-processing outcome; if commerce growth comes mainly from low-margin payment volume, the bull margin is too high.

10. Segment rollup - built bottoms-up, arithmetic ties

The rollup below sums the product-level analyst buckets in Sections 8 and 9. It reconciles to the official TTM A&C revenue anchor of $1.9408 billion at the starting point and computes horizon Segment EBITDA as revenue multiplied by product-level margin.

Case	Product / bucket	TTM base revenue	CAGR	TTM+5y revenue	TTM+5y margin	TTM+5y Segment EBITDA proxy
Bear	Websites / presence / Airo-led creation and attach	$0.900B	3.5%	$1.069B	43.0%	$0.460B
Bear	Commerce / marketing / payments	$0.430B	6.5%	$0.589B	46.0%	$0.271B
Bear	Third-party email and productivity	$0.510B	2.5%	$0.577B	42.0%	$0.242B
Bear	Other A&C add-ons and bundled tools	$0.1008B	2.0%	$0.111B	38.0%	$0.042B

Case	Product / bucket	TTM base revenue	CAGR	TTM+5y revenue	TTM+5y margin	TTM+5y Segment EBITDA proxy
Bear	Total A&C	$1.9408B	3.9% blended	$2.346B	43.3%	$1.015B
Base	Websites / presence / Airo-led creation and attach	$0.900B	8.0%	$1.322B	47.0%	$0.622B
Base	Commerce / marketing / payments	$0.430B	11.0%	$0.725B	50.0%	$0.362B
Base	Third-party email and productivity	$0.510B	6.5%	$0.699B	45.0%	$0.314B
Base	Other A&C add-ons and bundled tools	$0.1008B	5.0%	$0.129B	42.0%	$0.054B
Base	Total A&C	$1.9408B	8.2% blended	$2.874B	47.0%	$1.352B
Bull	Websites / presence / Airo-led creation and attach	$0.900B	11.5%	$1.551B	50.0%	$0.776B
Bull	Commerce / marketing / payments	$0.430B	15.5%	$0.884B	54.0%	$0.477B
Bull	Third-party email and productivity	$0.510B	8.5%	$0.767B	47.0%	$0.360B
Bull	Other A&C add-ons and bundled tools	$0.1008B	7.0%	$0.141B	45.0%	$0.064B
Bull	Total A&C	$1.9408B	11.5% blended	$3.343B	50.2%	$1.677B

Arithmetic check: Bear product revenue sums to $2.346 billion and product Segment EBITDA sums to $1.015 billion; $1.015 billion / $2.346 billion = 43.3%. Base product revenue sums to $2.874 billion and product Segment EBITDA sums to $1.352 billion; $1.352 billion / $2.874 billion = 47.0%. Bull product revenue sums to $3.343 billion and product Segment EBITDA sums to $1.677 billion; $1.677 billion / $3.343 billion = 50.2%. The totals reconcile to the product-level assumptions within rounding tolerance.

The base case is the most useful planning case for the main ER2 model. It does not require Airo to become a standalone mega-product. It requires Airo and bundling to keep attach improving, commerce to grow faster than the segment average, and productivity to remain a steady domain-linked recurring layer. The result is a segment that adds roughly $933 million of revenue and $467 million of Segment EBITDA over five years.

11. Key risks and wildcards

Bear risk - AI commoditizes website creation. If general-purpose AI tools or low-cost AI website builders make basic websites feel free, GoDaddy's website-builder pricing power weakens. Airo helps defend against this, but it also confirms that the workflow is being redefined.

Bear risk - Airo adoption does not convert into recognized revenue. The data package records more than $10 million of annualized bookings run-rate for Airo AI Builder, but also emphasizes that this is not GAAP revenue [data_package Â§4, Airo row; Â§10 data gap 4]. If usage is promotional, low-retention, or credit-heavy with poor margin, the revenue and margin uplift disappoints.

Bear risk - Commerce mix is less profitable than modeled. Payments revenue can look attractive but carry processing costs, fraud costs, compliance burdens, and support intensity. If A&C commerce growth is mostly payments spread rather than software attach, the base and bull margin assumptions are too high.

Bear / base risk - customer-count pressure offsets ARPU. The data package shows total customers declining in Q2-Q4 2025 while ARPU grew around 9%-10% [data_package Â§4, Products / KPIs table]. ARPU-led growth can continue for a while, but eventually price and mix need either stable customer counts or meaningfully higher retained value per customer.

Base wildcard - Core Platform funnel health. A&C's advantage depends partly on domain-led intent. If Core Platform growth slows too much or domain search behavior shifts away from GoDaddy, A&C loses efficient acquisition surface even if the products remain good.

Bull wildcard - Airo becomes the default SMB launch assistant. If Airo materially improves business naming, domain selection, site generation, content, commerce setup, marketing, and support in one flow, GoDaddy can increase conversion and attach without proportionate sales expense. This is the cleanest path to the bull case.

Bull wildcard - commerce and marketing attach compound. GoDaddy does not need to beat Shopify in sophisticated commerce. It only needs to attach simple payments, booking, storefront, email, and marketing tools to a large base of entrepreneurs. The long-tail merchant opportunity can be meaningful even if GoDaddy remains subscale versus Shopify.

Regulatory / operational risk - payments, privacy, AI, and domain regulation. More commerce and AI functionality exposes A&C to payment compliance, privacy, cybersecurity, AI content, and consumer-protection risks. The filings include ordinary-course risk factors around these areas, and the data package notes no large legal settlement or regulatory action identified in the last-12-month review [data_package Â§9, Legal / regulatory bullet].

Summary table

Case	Segment TTM+5y Revenue	Segment TTM+5y Segment EBITDA Margin	Segment TTM+5y Segment EBITDA Proxy	Probability
Bear	$2.346B	43.3%	$1.015B	25%
Base	$2.874B	47.0%	$1.352B	55%
Bull	$3.343B	50.2%	$1.677B	20%

Note: the summary table uses Segment EBITDA margin and Segment EBITDA profit proxy because GoDaddy does not disclose A&C segment operating income. This limitation should be preserved in the combined company model rather than solved by allocating unreported costs to A&C without a separate allocation framework.

Data gaps inserted

[DATA GAP: GoDaddy does not disclose A&C product-level ARR, bookings, paid seats, GPV, payment volume, or GAAP revenue by Websites, Commerce, Payments, Email/Productivity, or Airo. Management commentary gives directional attach and Airo bookings indicators only.]

[DATA GAP: GoDaddy does not disclose A&C segment operating income. Segment EBITDA is the only official segment profitability metric, so this appendix uses Segment EBITDA as the segment profit proxy.]

Appendix S - Synthesis (Combined Earnings Model)

GoDaddy Inc. (GDDY) - Synthesis / Combined Earnings Model

Prepared for ER2 / Gideon Sub-Agent S on 2026-05-09.

This appendix is the combined TTM+5y earnings model for GoDaddy Inc. It uses the reviewed local data package and the reviewed segment appendices as controlling sources. The most important modeling convention is repeated upfront because it controls the rest of the file: GoDaddy does not disclose segment operating income. GoDaddy discloses segment revenue and Segment EBITDA. Therefore, the segment appendices provide a mix of official Segment EBITDA profit proxies and analyst-estimated operating-profit bridges. This synthesis does not treat those bridges as company disclosure. It starts from the official segment revenue and Segment EBITDA framework, then subtracts a consolidated reconciliation item to reach GAAP operating income.

The official SEC / GoDaddy segment tables control. The data package identified the FMP quarterly segmentation endpoint as broken for GoDaddy: Q4 2025 returned zero revenue for both reportable segments, while Q1 2026 returned values that matched remaining-performance-obligation / deferred-revenue schedules rather than official segment revenue. Those broken FMP quarterly segmentation rows are excluded from this synthesis. The TTM segment anchor is the official Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 segment table reproduced in `data_package.md`.

1. Anchors

Anchor	Value
Today	2026-05-09
Fiscal year end	December 31
TTM anchor end date	2026-03-31
TTM quarters	Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026
Latest completed FY label for historical tie-out	FY2025
Horizon date	2031-03-31
Compounding span	Exactly 5.0 calendar years from TTM end
Current price	$91.02
TTM diluted share count anchor	134.3M, Q1 2026 diluted weighted-average shares

The TTM consolidated base from `data_package.md` Section 5 is revenue of $5.0237B, operating income of $1.1905B, net income of $0.8701B, official GoDaddy-defined free cash flow of $1.6759B, A&C revenue of $1.9408B, Core Platform revenue of $3.0829B, A&C Segment EBITDA of $0.8852B, and Core Platform Segment EBITDA of $1.0285B. These numbers are the anchor; the model compounds from TTM, not from FY2025. FY2025 is used only as a historical sanity check.

The initial segment EBITDA-to-operating-income bridge is:

TTM bridge line	Amount
A&C Segment EBITDA	$0.8852B
Core Platform Segment EBITDA	$1.0285B
Total Segment EBITDA	$1.9137B
Consolidated operating income	$1.1905B
Implied reconciliation expense	$0.7232B

The $0.7232B reconciliation expense is not a disclosed segment line. It is the difference between reported segment EBITDA and consolidated GAAP operating income. Economically it captures the disclosed categories that sit below Segment EBITDA and above operating income: unallocated corporate overhead, depreciation and amortization, stock-based compensation, restructuring / other operating items, and related corporate-level costs. The model grows this TTM reconciliation expense to the horizon by case, then subtracts it from the segment EBITDA proxy pool. That is the cleanest way to honor the disclosure boundary without pretending that GoDaddy reports segment operating income.

2. Segment-Level Forward Assumptions

The segment assumptions below are reproduced from the two segment appendices. For A&C, the margin and profit figures are Segment EBITDA proxies because the appendix explicitly states that product and segment operating income are not disclosed. For Core Platform, the appendix presents both Segment EBITDA margin and an analyst-estimated operating-income bridge. In the combined model, I use Segment EBITDA for both segments, then apply one consolidated reconciliation item to reach GAAP operating income. This avoids double-counting the Core appendix's operating-income bridge while still respecting its profitability work.

Segment	TTM revenue	Bear TTM+5y revenue	Base TTM+5y revenue	Bull TTM+5y revenue	Bear profit margin used	Base profit margin used	Bull profit margin used
Applications and Commerce	$1.9408B	$2.346B	$2.874B	$3.343B	43.3% Segment EBITDA proxy	47.0% Segment EBITDA proxy	50.2% Segment EBITDA proxy
Core Platform	$3.0829B	$3.178B	$3.622B	$3.975B	31.4% Segment EBITDA proxy	35.6% Segment EBITDA proxy	38.1% Segment EBITDA proxy

Sources: `appendix_B_applications_and_commerce.md` Sections 8-10; `appendix_B_core_platform.md` Sections 8-10; `data_package.md` Sections 3 and 5. The A&C appendix also gives case probabilities of 25% bear, 55% base, and 20% bull. The Core appendix gives the same probability weights. I use 25% / 55% / 20% at the consolidated level because the two independently prepared segment appendices converge on the same case mix, and because recent trends support a base-heavy distribution: A&C remains double-digit but decelerating, Core is slower but margin-positive, and management remains disciplined on FCF and buybacks.

The A&C base case assumes a controlled deceleration from a 13.9% historical segment CAGR and Q1 2026 growth of 11.6% to an 8.2% five-year CAGR. Its product-level buckets are analyst allocations, not disclosed product dollars: websites / presence / Airo-led creation, commerce / marketing / payments, third-party email and productivity, and other add-ons. The appendix's product rollup totals $2.874B of base revenue and $1.352B of Segment EBITDA proxy at the horizon.

The Core base case assumes the mature platform remains a cash engine. The appendix allocates Core's TTM revenue between domains and Core Platform other using the Q1 2026 product split because annual product-level Core dollars are not disclosed. Domains grow at 4.0% in the base case, Core Platform other grows at 0.8%, and total Core reaches $3.622B of revenue and $1.291B of Segment EBITDA at the horizon.

3. Combined Revenue Build

Line	Bear	Base	Bull
A&C TTM+5y revenue	$2.346B	$2.874B	$3.343B
Core Platform TTM+5y revenue	$3.178B	$3.622B	$3.975B
Sum of segment TTM+5y revenue	$5.524B	$6.496B	$7.318B
Corporate eliminations / other revenue	$0.000B	$0.000B	$0.000B
Combined TTM+5y revenue	$5.524B	$6.496B	$7.318B
Implied TTM to TTM+5y CAGR	1.9%	5.3%	7.8%

The base case puts consolidated GoDaddy revenue at $6.496B by 2031-03-31, a 5.3% CAGR from the TTM anchor. That is below management's 2024 Investor Day 6%-8% annual revenue framework, but not by much; it deliberately incorporates the Q1 2026 slowdown in Core Platform and total bookings. A&C contributes $0.933B of the $1.472B consolidated revenue increase, or about 63% of incremental revenue, while Core contributes $0.539B. That is consistent with the reviewed segment work: A&C is the growth engine, Core is the larger renewal and funnel base.

The bear case still grows consolidated revenue slightly because the domain base and renewal economics prevent a collapse. In that case, A&C falls to a 3.9% blended CAGR and Core barely grows. The bull case reaches 7.8% consolidated CAGR, which is close to the top of the Investor Day range and requires Airo-led attach, stronger commerce / marketing adoption, and a healthier Core domain funnel.

4. Combined Operating Income Build

This section is the main synthesis bridge. Because segment operating income is not disclosed, the first line is the sum of segment EBITDA proxies from the segment appendices. I then subtract the TTM-based reconciliation expense grown to the

horizon. The case-specific growth rates are:

Reconciliation expense assumption	Bear	Base	Bull
TTM reconciliation expense	$0.723B	$0.723B	$0.723B
Annual growth to horizon	5.0%	4.0%	3.0%
Horizon reconciliation expense	$0.923B	$0.880B	$0.838B

The bear case lets corporate / reconciling expense grow faster than revenue because weak growth, competitive pressure, AI cost, and product complexity can absorb more of the segment profit pool. The base case grows the reconciliation expense at 4.0% annually, below the 5.3% revenue CAGR, reflecting some operating leverage but not a heroic efficiency assumption. The bull case grows the reconciliation expense at only 3.0% annually because automation, support deflection, better mix, and stronger incremental margins should reduce the drag relative to revenue.

Line	Bear	Base	Bull
A&C Segment EBITDA proxy	$1.015B	$1.352B	$1.677B
Core Platform Segment EBITDA proxy	$0.996B	$1.291B	$1.514B
Sum of segment profit proxies	$2.011B	$2.643B	$3.191B
Less: unallocated corporate / D&A / SBC / other operating reconciliation	($0.923B)	($0.880B)	($0.838B)
Combined TTM+5y operating income	$1.088B	$1.763B	$2.353B
Implied operating margin	19.7%	27.1%	32.1%

The base operating margin of 27.1% compares with the TTM operating margin of 23.7% and FY2025 reported operating margin of roughly 22.9%. The forecast therefore assumes continued operating leverage, but not the same step-change that occurred from FY2023 to FY2025. The bridge is also internally conservative relative to segment EBITDA: base segment profit proxies sum to $2.643B, while base GAAP operating income is $1.763B, so $0.880B remains for the corporate / D&A / SBC / other reconciliation item.

The bear case shows the downside clearly. Even with revenue above the TTM base, operating income falls below the base case because A&C margin compresses, Core margin weakens, and the reconciliation expense grows faster. The bear EPS test only barely clears the P/E 15 gate at today's price, so the price conclusion depends much more on avoiding the bear margin case than on the bull revenue case.

5. Net Income and EPS Build

Net interest expense is modeled as a stable cost rather than a major thesis lever. The raw quarterly income statement pulls show TTM net interest expense of roughly $152M, and the balance sheet shows net debt / TTM NEBITDA of about 1.58x at Q1 2026. I use $170M of net interest expense in the bear case, $160M in the base case, and $150M in the bull case. The spread reflects modest differences in cash generation and debt flexibility, not a large refinancing thesis. Other income is set to zero because the Q4 2025 non-operating line was noisy and not a durable earnings driver.

The tax rate is normalized at 21.0%, consistent with the data package's normalized NOPAT calculation. GoDaddy's reported tax line has been distorted by deferred tax effects and a large FY2023 tax benefit, so the reported TTM effective tax rate is not used as the steady-state rate.

Line	Bear	Base	Bull
Combined TTM+5y operating income	$1.088B	$1.763B	$2.353B
Net interest expense	($0.170B)	($0.160B)	($0.150B)
Other income	$0.000B	$0.000B	$0.000B
Pre-tax income	$0.918B	$1.603B	$2.203B
Tax rate	21.0%	21.0%	21.0%
Tax expense	($0.193B)	($0.337B)	($0.463B)
Net income	$0.725B	$1.266B	$1.740B
Diluted share count at TTM+5y	115.8M	105.6M	101.2M
EPS at TTM+5y	$6.26	$11.99	$17.19

The base case produces net income of $1.266B and EPS of $11.99. The EPS outcome is driven by both operating income growth and share count reduction. Without the explicit buyback path in Section 6, the base EPS would be $9.43 on the current 134.3M share count. The share count path therefore adds about $2.56 of EPS, or roughly 21% of base horizon EPS. That is a material part of the thesis and should be monitored rather than assumed away.

6. Share Count Path

The starting point is Q1 2026 diluted weighted-average shares of 134.289M, the most recent share count in the local raw income statement and reproduced directionally in the management and data package appendices. GoDaddy has a heavy buyback history: FY2025 buybacks were $1.602B, Q1 2026 buybacks were about $0.281B, and TTM buybacks from Q2 2025 through Q1 2026 were about $1.115B. TTM free cash flow was $1.6759B, so a $1.0B annual base-case buyback is below the most aggressive FY2025 pace and broadly consistent with a business returning a majority, but not all, of free cash flow.

The model assumes continued board authorization beyond the $1.8855B remaining at March 31, 2026. That is an assumption, not a guarantee. It is reasonable only because management's record and stated model are centered on FCF per share, but it remains a live capital allocation variable.

Stock-based compensation issuance is modeled explicitly. TTM SBC was about $312.7M from the local quarterly cash-flow pulls. The base case converts that to about 2.72M shares per year using a rough $115 average issuance / grant-value denominator. The bear case uses 3.0M shares per year, and the bull case uses 2.5M shares per year. This is intentionally approximate because actual dilution depends on vesting, forfeitures, option exercises, and future share prices.

Year	Starting shares	Buyback $	Avg buyback price	Shares retired	SBC issuance	Ending shares
Bear Y1	134.3M	$0.700B	$95	7.4M	3.0M	129.9M
Bear Y2	129.9M	$0.700B	$100	7.0M	3.0M	125.9M
Bear Y3	125.9M	$0.700B	$105	6.7M	3.0M	122.3M
Bear Y4	122.3M	$0.700B	$110	6.4M	3.0M	118.9M
Bear Y5	118.9M	$0.700B	$115	6.1M	3.0M	115.8M
Base Y1	134.3M	$1.000B	$100	10.0M	2.7M	127.0M
Base Y2	127.0M	$1.000B	$110	9.1M	2.7M	120.6M
Base Y3	120.6M	$1.000B	$120	8.3M	2.7M	115.0M
Base Y4	115.0M	$1.000B	$130	7.7M	2.7M	110.1M
Base Y5	110.1M	$1.000B	$140	7.1M	2.7M	105.6M
Bull Y1	134.3M	$1.200B	$105	11.4M	2.5M	125.4M
Bull Y2	125.4M	$1.200B	$120	10.0M	2.5M	117.9M
Bull Y3	117.9M	$1.200B	$135	8.9M	2.5M	111.5M
Bull Y4	111.5M	$1.200B	$150	8.0M	2.5M	106.0M
Bull Y5	106.0M	$1.200B	$165	7.3M	2.5M	101.2M

The base-case share count falls from 134.3M to 105.6M over exactly five years. That is a 21.3% reduction, similar in magnitude to the historical decline from 171.1M in FY2021 to 134.3M in Q1 2026. The model therefore does not require a new type of capital allocation behavior; it requires continuation of the existing FCF-per-share playbook at a slightly more measured pace than FY2025.

The bear share count still declines to 115.8M, but with lower buyback dollars and higher SBC issuance. The bull share count reaches 101.2M because stronger FCF and a cleaner equity-compensation path allow higher repurchases. The explicit path matters because Gideon's "buybacks maintain EPS" shortcut would be inadequate here. Buybacks are a central value driver, but they are not guaranteed and can be poor if executed at high prices.

7. P/E 15 Test

Required EPS for P/E 15 at the current price is:

```
$91.02 / 15 = $6.07
```

Case	EPS at TTM+5y	EPS x 15	Current price	Cushion	Pass?
Bear	$6.26	$93.94	$91.02	3.2%	Pass, but thin

Case	EPS at TTM+5y	EPS x 15	Current price	Cushion	Pass?
Base	$11.99	$179.84	$91.02	97.6%	Pass
Bull	$17.19	$257.92	$91.02	183.4%	Pass

The confident case that matters is the base case, not the bull case. The base case clears the P/E 15 gate with a 97.6% cushion. That is a large cushion at the supplied current price of $91.02. The bear case is much less comfortable: it clears by only 3.2%, which means a combination of weaker segment growth, margin pressure, slower buybacks, and higher corporate reconciliation expense could remove most of the valuation margin. The base conclusion is still a P/E 15 PASS because the operating model does not need the bull case to satisfy the threshold.

8. Reflexivity Check

The TTM reconstruction ties because the model uses official segment tables, not the broken FMP quarterly segmentation rows.

Check	Calculation	Result
TTM revenue segment sum	$1.9408B A&C + $3.0829B Core = $5.0237B	Matches consolidated TTM revenue
TTM profit bridge	$0.8852B A&C Segment EBITDA + $1.0285B Core Segment EBITDA - $0.7232B reconciliation = $1.1905B	Matches consolidated TTM OI
FY2025 revenue segment sum	$1.889B A&C + $3.062B Core = $4.951B	Matches FY2025 consolidated revenue
FY2025 profit bridge	$0.857B A&C Segment EBITDA + $1.010B Core Segment EBITDA - $0.740B reconciliation = $1.127B	Matches official FY2025 operating income

The FY2025 operating-income bridge uses the official FY2025 operating income of $1.127B noted in the data package, rather than the slightly different FMP annual income-statement row of $1.133B. This is another place where primary-source values control.

This reflexivity check is important because the combined model is not an isolated spreadsheet. If the segment sum failed at the TTM anchor, every five-year CAGR and margin in the forecast would compound from a broken base. Here the base ties cleanly, with the caveat that profitability is a Segment EBITDA-to-GAAP OI bridge rather than a segment operating-income disclosure.

9. In-Progress FY Reconciliation

Stage 0 did not treat FY2026 as effectively complete. The model uses the TTM period ending 2026-03-31, not a FY2026 full-year estimate. Still, Q1 2026 is a useful recency check.

Metric	Q1 2026 actual	Q1 annualized	TTM anchor	Difference
Revenue	$1.2669B	$5.0676B	$5.0237B	+0.9%
Operating income	$0.3127B local income statement pull	$1.2508B	$1.1905B	+5.1%
Consolidated revenue growth	6.1% YoY	n/a	Base five-year CAGR 5.3%	Base below latest growth

The revenue check is clean. Q1 annualized revenue is within 1% of the TTM anchor. Operating income annualized from Q1 is about 5% above TTM, which is not a problem because Q1 had a 24.5% operating margin versus 23.7% TTM, and the model does not immediately jump to the Q1 annualized margin. The base case starts with a combined first-forward-year revenue run-rate of roughly $5.33B, or about 6% above TTM, which is inside the 10% recency tolerance and broadly consistent with the latest reported revenue growth.

10. Sensitivity - What Matters Most

The base case is most sensitive to A&C growth durability, the consolidated reconciliation expense / margin bridge, and share count reduction. Core revenue growth matters, but because Core is modeled as a lower-growth cash engine, a small change in A&C growth or the corporate reconciliation drag has more effect on horizon EPS.

Sensitivity	EPS impact versus base	Interpretation
A&C revenue CAGR +200 bps, holding margins and share count constant	+$1.10 to EPS	A&C is the incremental growth engine; higher revenue at high margin matters quickly.
A&C revenue CAGR -200 bps, holding margins and share count constant	-$0.99 to EPS	A&C deceleration below the base path would still leave the P/E test intact but reduce the cushion.
Core Platform Segment EBITDA margin +200 bps, holding revenue constant	+$0.54 to EPS	Core margin leverage is valuable because the segment is large.
Core Platform Segment EBITDA margin -200 bps, holding revenue constant	-$0.54 to EPS	A Core margin rollover would be a real warning even if revenue remains stable.
Share count +5% versus base	-$0.57 to EPS	Buyback underdelivery matters, but not enough by itself to break the base P/E gate.
Share count -5% versus base	+$0.63 to EPS	Buybacks are a value amplifier, not the sole thesis.
Tax rate +300 bps versus base	-$0.46 to EPS	Normalized tax matters, but less than operating margin and A&C growth.
Tax rate -300 bps versus base	+$0.46 to EPS	A lower cash tax outcome would help but should not be underwritten as the default.

The two most important variables are A&C revenue durability and the Segment EBITDA-to-GAAP OI reconciliation bridge. If A&C growth falls into the mid-single digits while the reconciliation expense grows faster than revenue, the company becomes mainly a buyback-driven cash return story. If A&C can hold high-single-digit growth and the reconciliation expense grows slower than revenue, the P/E 15 bar is easy to clear at the supplied current price.

11. Combined Earnings Summary

Case	Revenue	OI	OI margin	NI	EPS	Probability	EPS x 15	vs. $91.02
Bear	$5.524B	$1.088B	19.7%	$0.725B	$6.26	25%	$93.94	+3.2%
Base	$6.496B	$1.763B	27.1%	$1.266B	$11.99	55%	$179.84	+97.6%
Bull	$7.318B	$2.353B	32.1%	$1.740B	$17.19	20%	$257.92	+183.4%
Probability-weighted EPS	n/a	n/a	n/a	n/a	$11.60	100%	$173.98	+91.1%

The probability weights are 25% bear, 55% base, and 20% bull. This is not a uniform split. Base gets the most weight because recent facts are mixed but not broken: A&C is still growing double digits, Core is slow but profitable, margin expansion persists, management continues to emphasize FCF per share, and the moat work is YELLOW rather than FAIL. Bear receives 25% because the competitive and AI risks are real and because total bookings decelerated to 2.7% growth in Q1 2026. Bull receives 20% because Airo and the domain funnel could drive a stronger attach cycle, but product-level revenue disclosure is not yet strong enough to make that the default.

Tie-Out Checks

- Reported-financial tie-out (TTM + latest completed FY): PASSED. TTM revenue ties exactly: $1.9408B + $3.0829B = $5.0237B. TTM OI ties through the required Segment EBITDA bridge: $0.8852B + $1.0285B - $0.7232B = $1.1905B. FY2025 revenue ties: $1.889B + $3.062B = $4.951B. FY2025 operating income ties to the official primary-source value through the same concept: $0.857B + $1.010B - $0.740B = $1.127B.

- NI / shares = EPS: PASSED. Bear: $0.725B / 115.8M = $6.26. Base: $1.266B / 105.6M = $11.99. Bull: $1.740B / 101.2M = $17.19. Differences are rounding only.

- Segment sum tie-out at horizon: PASSED. Bear combined revenue equals $2.346B A&C + $3.178B Core = $5.524B. Base equals $2.874B + $3.622B = $6.496B. Bull equals $3.343B + $3.975B = $7.318B. Corporate eliminations are $0.000B because the segment totals reconcile to consolidated revenue.

- Product-to-segment rollup: PASSED. The A&C appendix Section 10 states that product revenue sums to $2.346B, $2.874B, and $3.343B across bear/base/bull, matching the segment totals. The Core appendix Section 10 states that domains plus Core other sum to $3.178B, $3.622B, and $3.975B. All are within 1% after rounding.

- Weighted margin check: PASSED. A&C Section 10 gives Segment EBITDA proxy sums of $1.015B / $2.346B = 43.3%, $1.352B / $2.874B = 47.0%, and $1.677B / $3.343B = 50.2%. Core Section 10 gives $0.996B / $3.178B = 31.4%, $1.291B / $3.622B = 35.6%, and $1.514B / $3.975B = 38.1%. These are revenue-weighted product rollups, not disclosed product operating margins.

- Share count path: PASSED. The ending share counts are derived from explicit five-year paths, not assumed. Bear: 134.3M - 33.5M retired + 15.0M issued = 115.8M. Base: 134.3M - 42.3M retired + 13.6M issued = 105.6M. Bull: 134.3M - 45.6M retired + 12.5M issued = 101.2M. The horizon is five years, not six.

- Growth plausibility: PASSED. A&C base CAGR of 8.2% is below 1.2x its 13.9% three-year historical reference. Core base CAGR of 3.3% is approximately at, but still below, 1.2x its 2.9% FY2022-FY2025 historical CAGR. Product-level allocations are analyst estimates and are justified in the segment appendices because product annual dollars are not disclosed.

- Historical arithmetic: PASSED. Forward arithmetic uses `TTM revenue x (1 + CAGR)^5 = horizon revenue` over exactly five years. Examples: A&C base $1.9408B x (1.082)^5 = about $2.88B, matching the $2.874B rounded segment output; Core base $3.0829B x (1.033)^5 = about $3.62B, matching the $3.622B output. Product-level rows in both appendices tie within rounding.

- Recency anchor: PASSED. Base first-forward-year revenue is about $5.33B using A&C's explicit year-one 10.5% path and Core's low-single-digit base path. That is about 6% above TTM revenue of $5.0237B and within the 10% tolerance. It also stays near Q1 2026's annualized revenue of $5.0676B plus latest 6.1% growth.

- In-progress FY reconciliation: PASSED / not a Stage 0 anchor issue. FY2026 was not treated as complete. Q1 2026 annualized revenue of $5.0676B is only 0.9% above the TTM anchor. Q1 2026 annualized operating income is 5.1% above TTM operating income, which is explainable by the stronger Q1 margin and does not force a re-anchor.

- P/E 15 and probability-weighted arithmetic: PASSED. Required EPS at a $91.02 price is $6.07. Bear EPS x 15 = $93.94, base EPS x 15 = $179.84, and bull EPS x 15 = $257.92. Probability-weighted EPS is $11.60 using 25% / 55% / 20%, and probability-weighted EPS x 15 is $173.98, a 91.1% cushion to the supplied current price.

Final gate: P/E 15 PASS. The base case clears the framework's P/E <= 15 test with a large cushion at the supplied price, while the bear case only barely clears. The synthesis verdict is therefore attractive on the arithmetic, but the investment case should remain tied to the watch items surfaced by the segment and moat work: A&C growth must not fall below high-single digits for long, Core margin must not roll over, Airo / AI product claims need conversion into recognized revenue rather than bookings anecdotes, and buybacks need continued valuation discipline.

Appendix CS - Compounder Score

GoDaddy Inc. - Compounder Score

Analysis date: 2026-05-28. Local ER2 evidence date: 2026-05-09. Ticker: GDDY. Exchange: NYSE. Currency: USD. This diagnostic score uses the existing ER2 artifacts in `C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy` as controlling evidence. No live fetch was required because the local package contains a verified quant foundation, data package, segment appendices, management appendix, moat appendix, synthesis, red-team appendix, and raw live pulls from the ER2 run. The score is diagnostic only. It is not an ER2 gate and does not mechanically override the ER2 WATCH verdict in the main narrative.

1. Executive Verdict

GoDaddy screens like a high-cash-generation compounder, but not like a clean dream compounder. The evidence supports a real business: a large domain and SMB presence platform, 20.4 million customers, about 81 million domains under management, a sticky renewal base, improving segment EBITDA margins, strong official free cash flow, and a management team that has compounded free cash flow per share through margin expansion and buybacks. The evidence also supports skepticism: product-level disclosure is thin, A&C/Airo durability is not yet proven in GAAP revenue, GoDaddy does not disclose segment operating income, ROIC is definition-sensitive because of leverage, intangibles, and buybacks, and the base-case shareholder return does not clear a 20% annualized hurdle without a more favorable entry price or a stronger operating outcome than the current base case.

The diagnostic Compounder Score is 70/100: Business Quality 61/80 and Valuation / 20% Return Underwriting 9/20. The score-implied classification is Watchlist. This is not a rejection of the ER2 arithmetic: the synthesis base case clears the P/E <= 15 test at the supplied $91.02 price with a 97.6% cushion. It is a separate diagnostic statement that the 20% annualized return case is not proven at the current price under a conservative no-multiple-expansion framework. The best version of GoDaddy is an asset-light, recurring, identity-and-commerce platform that reinvests modestly and returns large free cash flow through disciplined buybacks. The weaker version is a profitable registrar and SMB bundle that harvests cash while A&C faces specialist and AI-native competition.

2. Data Source Map

Evidence area	Source used	Confidence	Notes
Price / market cap	`raw/D_20260509_live/GDDY_quote.json`; `raw/D_20260509_live/GDDY_profile.json`	Medium	Quote was $91.02 and market cap was $12.078B on 2026-05-08; refresh before trading.
Enterprise value	Local balance sheet plus quote; annual EV file for historical context	Medium	Current EV approximated as market cap plus Q1 2026 net debt of $2.586B = $14.665B.
Income statement	`quant_foundation.md`, `data_package.md`, annual and quarterly raw pulls	High	Official quarterly values control TTM where FMP differs.
Cash flow	`quant_foundation.md`, `data_package.md`, raw cash-flow pulls	High	Official GoDaddy-defined TTM FCF of $1.6759B controls the base.
Segment data	`quant_foundation.md`, `data_package.md`, segment appendices	High for revenue and Segment EBITDA	FMP quarterly segmentation is broken; official SEC / GoDaddy tables control.
Management	`appendix_management.md`	Medium-high	Strong record, but buyback opportunism and Airo product revenue remain watch items.
Moat	`appendix_moat.md`, segment appendices	Medium	Core moat is real; blended moat is YELLOW because A&C is competitively exposed.
Synthesis / valuation	`appendix_synthesis.md` and main narrative	Medium	P/E 15 model is tied out; 20% IRR model is a diagnostic overlay.
Red-team risks	`appendix_red_team.md`	High	Most important issues are A&C durability, buyback denominator math, and the EBITDA-to-GAAP bridge.

3. Key Financial and Quality Metrics

Metric	Value	Source / formula	Interpretation
TTM revenue	$5.0237B	Quant foundation P4	Clean official TTM anchor ending 2026-03-31.
TTM operating income	$1.1905B	Quant foundation P4	TTM operating margin about 23.7%.
TTM net income	$0.8701B	Quant foundation P4	Tax normalization is required for NOPAT work.
TTM official FCF	$1.6759B	Quant foundation P4 / P6	Very strong FCF conversion.
Q1 2026 net debt	$2.5864B	Quant foundation P6	Moderate leverage versus NEBITDA.
Net debt / TTM NEBITDA	1.58x	Data package Section 8	Not a balance-sheet veto.
FY2025 rough ROIC	28.4%	Data package ROIC table	Strong but definition-sensitive.
5-year median rough ROIC	~14.5%	FY2021-FY2025 ROIC table	Below 20% median because FY2021-FY2023 were lower.
TTM FCF / TTM NOPAT	~178%	$1.6759B / ($1.1905B x 79%)	Cash conversion is excellent, partly helped by deferred revenue economics.
FY2025 SBC / revenue	6.4%	$317.8M / $4.951B	Real economic cost; not disqualifying but material.
FY2025 SBC / FCF	20.2%	$317.8M / $1.5755B	Buybacks more than offset dilution, but gross SBC is not trivial.
5-year revenue CAGR	~8.3%	FY2020 to FY2025 raw annuals	Good, but future base case is lower at 5.3%.
5-year FCF CAGR	~18.2%	FY2020 to FY2025 raw annuals	Strong, helped by margin expansion and lower capex.
Share count change	171.1M FY2021 to 134.3M Q1 2026	Data package / synthesis	Material per-share compounding, but future buyback price matters.
Current FCF yield	~13.9% on market cap	$1.6759B / $12.078B	Attractive if FCF is durable.
EV / TTM NOPAT	~15.6x	($12.078B + $2.586B) / ($1.1905B x 79%)	Not expensive, but not enough by itself for 20% return certainty.

The important nuance is that GoDaddy has two different score personalities. On cash generation, it is excellent. On reinvestment runway and twenty-year durability, it is less clean. The business has been able to convert revenue growth, cost discipline, and low capital intensity into very high free cash flow. But the available evidence does not cleanly separate organic ROIIC from margin normalization, product exits, working-capital effects, and buybacks. A high score requires confidence that incremental capital can still be redeployed at high returns for many years. GoDaddy can produce value with limited reinvestment and buybacks, but that is not the same as a deep, self-funding reinvestment runway.

4. Rubric Scorecard

Category	Score	Max	Rationale
Incremental returns on capital	18	25	ROIC and FCF conversion are strong, but ROIIC is partly an artifact of low reinvestment, margin expansion, and buybacks.
Reinvestment runway	14	20	A&C and Airo create a plausible runway, but Core is mature and product-level Airo revenue proof is thin.
Durability of moat	11	15	Core has a real moat; blended company moat is capped by A&C competition and AI workflow risk.
Accounting and financial quality	8	10	Cash flow is excellent and filings are clean, but SBC is material and FMP segment data required override.
Capital allocation discipline	10	10	Management has avoided large recent M&A, maintained leverage, and reduced share count materially.
Price and 20% return underwriting	9	20	The price is attractive versus the ER2 P/E 15 test, but the base-case 20% annualized return is not proven.

Category	Score	Max	Rationale
Total	70	100	Watchlist: good business and attractive cash yield, but not a clean 20% compounder today.

5. ROIIC and Reinvestment Analysis

Using the data package's normalized 21% tax rate, FY2025 NOPAT is approximately $895M from $1.133B of FMP operating income. FY2022 NOPAT is approximately $394M from $499M of operating income. On a simple three-year basis, NOPAT increased by roughly $501M from FY2022 to FY2025. Cumulative reported capex over FY2023-FY2025 was only about $128M, and acquisition spend was zero. A literal ROIIC calculation using only reported capex and acquisitions would produce an implausibly high figure above 300%.

That figure is not decision-grade. It says GoDaddy is capital-light and benefited from margin expansion; it does not prove that every incremental dollar of reinvestment earned a 300% return. The missing pieces are non-cash working capital, growth opex, product development capitalization, customer acquisition costs, and the extent to which margin expansion came from portfolio cleanup or cost discipline rather than new reinvestment. A five-year acquisition-inclusive view is more grounded: FY2021-FY2025 capex plus acquisitions was roughly $881M, while NOPAT increased by about $680M from FY2020 to FY2025. That suggests high incremental economics, but still blends COVID-period normalization, acquisitions, restructuring, tax noise, and operating leverage.

The score therefore gives GoDaddy meaningful credit for incremental returns but caps the ROIIC subscore. The evidence supports the statement "high-return, capital-light cash generator." It does not fully support the stronger statement "long-duration high-ROIIC reinvestment machine." This distinction matters because a buyback-led FCF-per-share compounder can create excellent returns at the right price, but the compounding depends more heavily on entry valuation and capital allocation discipline than on a huge internal reinvestment runway.

6. Runway Analysis

GoDaddy's runway has two parts. Core Platform is the larger and more durable cash engine. It generated $3.083B of TTM revenue and is tied to domains, hosting, security, and related platform products. Domains have renewal inertia, brand, scale, operational complexity, and regulatory / accreditation know-how. This can remain attractive for years, but the growth rate is low. The Core appendix models a base-case five-year revenue CAGR of about 3.3%, with domains stronger than Core Platform other. That is not a heroic reinvestment runway; it is a harvest and modest-growth runway.

Applications and Commerce is the growth engine. It generated $1.941B of TTM revenue and 45.6% TTM Segment EBITDA margin. The segment has bundle convenience, installed-base distribution, customer support, Airo onboarding, and payments / commerce attach. The base case expects A&C to grow from $1.941B to $2.874B by 2031-03-31, an 8.2% CAGR. That is credible but not yet fully proven because the company does not disclose Airo, Websites, Commerce, Payments, Email, or Productivity revenue separately. The red-team appendix correctly identifies A&C growth below 8% for two consecutive quarters as the central monitoring signal.

The runway score is 14/20. The opportunity is real, but it is not a clean open-ended software runway. Shopify, Wix, Squarespace, Stripe, PayPal, Block, Microsoft, Google, Meta, TikTok, Cloudflare, Hostinger, Namecheap, vertical SaaS vendors, and AI-native tools all attack pieces of the stack. GoDaddy can win with "good enough, bundled, trusted, supported, and attached at the domain moment." That is a valuable runway for microbusinesses, not an unassailable category monopoly.

7. Moat Analysis

The moat appendix assigns a YELLOW moat gate and a YELLOW 2046 test. I agree. The Core moat is real: scale, brand, retention, renewal friction, domain infrastructure complexity, and a 21% share of worldwide registered domain names based on the referenced VeriSign industry brief. Customer retention around 85%, roughly 90% retention for customers older than three years, and more than 89% of FY2025 revenue from prior-year customers support stickiness. Margins also support some pricing power: consolidated operating margin improved from 10.0% in FY2021 to 22.9% in FY2025, A&C Segment EBITDA margin reached 45.4% in FY2025, and Core Segment EBITDA margin reached 33.0%.

The moat is capped because A&C is competitively less protected. GoDaddy is not clearly the best standalone website builder, commerce platform, email platform, marketing platform, payments provider, or hosting provider. Its advantage is distribution and bundle economics. AI can help GoDaddy convert domain intent into a broader bundle, but AI can also lower the cost of

building competing SMB presence tools. The 2046 test is plausible only if open-internet identity, domains, agent trust, and small-business operating tools remain economically relevant. That is likely enough for Watchlist, not enough for a clean long-duration PASS under this scoring rubric.

8. Accounting and Capital Allocation Analysis

Accounting and financial quality score well but not perfectly. Cash conversion is the strongest positive evidence. TTM operating cash flow was $1.6662B and official GoDaddy-defined TTM FCF was $1.6759B versus normalized TTM NOPAT of roughly $940M. The deferred-revenue model helps cash flow, and this is economically valuable as long as bookings remain healthy. The balance sheet is manageable at 1.58x net debt / TTM NEBITDA with $1.262B of cash at Q1 2026.

The score is capped for three reasons. First, SBC is material: FY2025 equity-based compensation was $317.8M, about 6.4% of revenue and 20.2% of FCF. Second, GoDaddy does not disclose segment operating income, only Segment EBITDA, so the synthesis must bridge to GAAP operating income through a corporate / D&A / SBC / other reconciliation item. Third, the quant foundation documents a broken FMP quarterly segmentation endpoint, requiring official-source override. That is well handled locally, but it means future automated scoring must be careful.

Capital allocation earns full credit. Management has not been empire-building recently: M&A cash outflow was zero in FY2023-FY2025, dividends were zero, technology and development stayed substantial, capex fell below 1% of revenue, leverage stayed moderate, and buybacks reduced diluted weighted-average shares from 171.1M in FY2021 to 134.3M by Q1 2026. The caveat is valuation discipline. The red team notes that systematic repurchases at higher prices weaken the EPS math. That is a monitoring issue rather than a current score penalty because the current supplied price is not demanding versus TTM FCF.

9. 20% Return Underwriting

The ER2 synthesis is attractive on a P/E 15 basis. At $91.02, required horizon EPS for P/E 15 is $6.07. The base case produces $11.99 of EPS by 2031-03-31, giving a 97.6% cushion. The bear case produces $6.26, giving only a 3.2% cushion. All 11 synthesis tie-out checks passed.

The 20% diagnostic hurdle is tougher. If the base case ends at $11.99 of EPS and the exit multiple is 15x, the horizon value is about $179.85 per share. From $91.02 over five years, that is roughly a 14.6% price CAGR before any dividends, and GoDaddy pays no dividend. If the exit multiple is flat to a current rough EV / NOPAT multiple around 15.6x, the return is directionally similar rather than 20%+. A 20% annualized five-year return would require an ending value of about $226.5 per share. That implies either a higher exit multiple, higher EPS, a much lower starting price, or a bull operating case. The base case therefore does not clear the 20% hurdle without help.

For a simple maximum buy-price estimate, using the base $179.85 horizon value and a 20% five-year discount rate gives about $72.3 per share. That is not a formal price target; it ignores interim cash returns because the model assumes cash is mostly used for buybacks rather than dividends. It is a useful diagnostic: at $91.02, the stock can be attractive for the ER2 P/E <= 15 framework while still failing the stricter 20% annualized return score.

Case	Starting price	Horizon EPS	Exit P/E	Horizon value	Approx. 5-year IRR
Bear	$91.02	$6.26	15.0x	$93.90	0.6%
Base	$91.02	$11.99	15.0x	$179.85	14.6%
Bull	$91.02	$17.19	15.0x	$257.85	23.2%

The bull case clears, but the rubric does not allow an Investable Now classification based on a bull case. The base case must clear without terminal multiple expansion. It does not.

10. Hard Veto Checklist

Veto	Status	Evidence
ROIIC below cost of capital	Pass / Watch	Simple ROIIC appears very high, but calculation quality is limited.
ROIC high only because invested capital is artificial	Watch	ROIC is definition-sensitive due to leverage, intangibles, and buybacks.
Growth requires external financing	Pass	FCF is strong and leverage is moderate.

Veto	Status	Evidence
Share count rises materially	Pass	Share count has fallen materially; SBC is offset by buybacks.
Large acquisitions without disclosed returns	Pass	No material M&A cash outflow in FY2023-FY2025.
FCF structurally lags earnings	Pass	FCF exceeds normalized earnings.
Platform dependency or disruption can impair equity	Watch	AI-native workflows and domain relevance are real risks.
20% case requires multiple expansion	Fail / Watch	Base case does not reach 20% at 15x exit P/E.
Needs flawless execution	Watch	Bear P/E 15 cushion is only 3.2%.
Moat cannot be explained simply	Pass	Scale, brand, renewals, trust, and bundle distribution.
Accounting / governance trust issue	Pass	No material red flags identified.
Balance sheet could wipe out equity	Pass	Net debt / TTM NEBITDA about 1.58x.

The key hard-veto pressure point is the 20% return case. That is why the diagnostic classification is Watchlist rather than Investable Now.

11. Final Decision

Compounder Score note: 70/100; Watchlist because GoDaddy is a strong FCF compounder with real Core moat and excellent capital allocation, but A&C durability, ROIIC precision, and the 20% base-case return are not proven.

Business Quality Score note: 61/80; good but capped by definition-sensitive ROIC / ROIIC, YELLOW moat and 2046 tests, limited product-level Airo disclosure, and reliance on buybacks for per-share compounding.

20% Return UW Score note: 9/20; current price is attractive versus ER2's P/E <= 15 test, but base-case five-year IRR is roughly 14.6% at a 15x exit P/E, so the 20% case needs either a lower entry price, bull-case execution, or multiple support.

12. Machine-Readable JSON

The companion file `compounder_score.json` contains the machine-readable score, category scores, threshold tests, key metrics, hard vetoes, positive evidence, negative evidence, and data gaps.

Appendix CSA - Scoring Audit

GoDaddy Inc. - Scoring Audit

Analysis date: 2026-05-28. Auditor scope: review `appendix_compounder_score.md` and `compounder_score.json` against the local ER2 evidence package for GoDaddy. No live refresh was performed. The audit uses the Compounder Scoring Auditor discipline: no points without evidence, management claims do not substitute for primary-source proof, ROIIC and FCF conversion must be tested rather than asserted, SBC and share count must be treated as economic variables, and the 20% hurdle must be judged from the base case without terminal multiple expansion.

1. Original vs Audited Scores

Item	Original	Audited	Notes
Business Quality Score / 80	61	54	Good cash generator, but score is reduced for incomplete ROIIC/reinvestment evidence, product-level A&C/Airo gaps, and a too-clean capital-allocation grade.
Valuation / 20% Return UW Score / 20	9	7	Base case does not clear 20%; valuation work is useful but lacks a clean required-NOPAT-growth/reverse-DCF bridge.
Total Score / 100	70	61	Still Watchlist, not Investable Now under the diagnostic compounder score.
Classification	Watchlist	Watchlist	Threshold tests remain failed: total below 80, business quality below 65/80, valuation below 15/20, base-case IRR below 20%.

The original score is directionally sober, not promotional. It correctly identifies that GoDaddy clears the ER2 P/E 15 arithmetic while failing the stricter 20% annualized return hurdle. The audit nevertheless reduces the score because several category points depend on incomplete measurement. GoDaddy is demonstrably asset-light and cash-generative, but the scorer sometimes gives more credit than the evidence can carry for true reinvestment quality, long-duration runway, and capital allocation repeatability.

Original reconstructed metrics: Business Quality 61/80, Valuation / 20% Return Underwriting 9/20, total 70/100, Watchlist classification, base-case IRR 14.6%, bear-case IRR 0.6%, bull-case IRR 23.2%, and maximum buy price for a 20% five-year IRR of about $72.30. The markdown and JSON agree on these headline figures.

2. Score Reductions and Reasons

This score is reduced because the incremental-returns category is supported but not fully calculated. The scorer says a literal three-year ROIIC using only capex and acquisitions would exceed 300%, then rejects that figure as not decision-grade. That is the correct qualitative reaction, but it leaves the actual 3-year ROIIC field null and the reinvestment-rate field null in the JSON. The 5-year acquisition-inclusive ROIIC value of 77% is directionally useful, but it still excludes growth opex, customer acquisition, non-cash working capital, and product-development economics. Category 1 should therefore fall from 18/25 to 15/25.

The reinvestment-runway score is reduced from 14/20 to 12/20. A&C and Airo are plausible growth engines, but the evidence base does not disclose product-level revenue for Airo, Websites, Commerce, Payments, Email/Productivity, Hosting, Security, domain protection, or aftermarket domains across the last three fiscal years. The synthesis explicitly says the A&C product buckets are analyst allocations rather than disclosed product dollars. A runway score above 60% is acceptable because segment revenue, segment EBITDA, retention, and bookings evidence exist, but the lack of product-level GAAP revenue prevents a higher score.

The moat score is reduced from 11/15 to 10/15. Core Platform has evidence-backed renewal, scale, brand, and domain-infrastructure advantages. The moat appendix supports a YELLOW moat gate and YELLOW 2046 test, not a clean PASS. A&C is competitively exposed to Shopify, Wix, Squarespace, Stripe, PayPal, Block, Microsoft, Google, Meta, TikTok, Cloudflare, Hostinger, Namecheap, vertical SaaS vendors, and AI-native tools. A 10/15 score is still favorable, but better fits a

blended moat where the durable Core segment is paired with a less protected growth segment.

Accounting and financial quality is reduced from 8/10 to 7/10. Cash conversion is excellent, but a multi-year FCF-conversion test is not fully reconstructed in the scorer. The evidence shows FY2021-FY2025 FCF values and current TTM FCF, but the scorer does not calculate multi-year FCF-to-NOPAT or FCF-to-net-income conversion across the full period. SBC is also material: FY2025 equity-based compensation was $317.8 million, about 6.4% of revenue and 20.2% of FCF. The scorer acknowledges the cost, so this is a cap rather than a failure.

Capital allocation is reduced from 10/10 to 9/10. Management has avoided large recent M&A, paid no dividend, kept leverage moderate, and reduced share count materially. However, the forward model assumes continued authorization beyond the $1.8855 billion remaining at March 31, 2026, and buyback price discipline matters because buybacks add roughly $2.56, or about 21%, to base horizon EPS. A perfect score is too generous when future capital allocation is a major underwriting variable.

Valuation / 20% underwriting is reduced from 9/20 to 7/20. The base-case IRR math is internally coherent: $11.99 of horizon EPS at 15x gives about $179.85 of horizon value, and $179.85 from $91.02 over five years is about 14.6%. The problem is that the diagnostic score should punish the failure more sharply. A 20% annualized five-year return requires roughly $226.5 of ending value, so the base case needs higher EPS, a higher exit multiple, a lower entry price, or bull-case execution. The original scorer states that, but 9/20 still gives nearly half credit to a hurdle that fails in the base case.

3. Unsupported Claims

The evidence does not fully support the stronger version of "long-duration high-ROIIC reinvestment machine." It supports "high-return, capital-light cash generator." That distinction matters because the compounding engine is partly operating leverage and buybacks, not a large internally reinvestable moat with transparent project-level returns.

The evidence does not support treating Airo as proven in GAAP revenue. Management commentary, bookings, attach, and cohort claims are useful signals, but product-level Airo revenue is not disclosed. Any Airo-led upside should remain a watch item rather than a full runway credit.

The evidence does not support a clean 20-year moat PASS. The local moat appendix explicitly assigns YELLOW to both the moat gate and the 2046 test. The original score is not egregious here, but the audit trims the moat score to align the number with the gate language.

4. Calculation Errors

No major arithmetic error was found in the headline IRR, P/E 15, share-count, or EPS calculations. Spot checks tie: required EPS at $91.02 and 15x is $6.07; base horizon EPS of $11.99 at 15x is $179.85; $179.85 / $91.02 over five years is about 14.6%; and a 20% five-year hurdle requires about $226.5 of ending value.

The calculation problem is incompleteness rather than bad arithmetic. The JSON leaves 3-year ROIIC, reinvestment rate, and multi-year FCF conversion null, while still awarding substantial points in categories that CSA rules expect to be calculated. The 5-year ROIIC estimate is useful but too narrow because capex plus acquisitions does not capture the full reinvestment base of an asset-light software/services company.

5. Missing Data

The most important missing evidence is product-level revenue and margin disclosure for Airo, Websites, Commerce, Payments, Email/Productivity, Hosting, Security, domain protection, and aftermarket domains. The only clean disclosure boundary is reportable segments, and GoDaddy reports Segment EBITDA rather than segment operating income.

Other gaps: no clean organic ROIIC separating growth opex, working capital, acquisitions, margin normalization, restructuring, and buybacks; no explicit reverse-DCF required NOPAT CAGR; no full multi-year FCF-conversion table; and no current market refresh after the local 2026-05-08 quote. These gaps lower confidence but do not make the score unusable.

6. Hard-Veto and Threshold Test Audit

The original hard-veto logic is directionally right. Base-case 20% annualized return fails. ROIC and ROIIC quality is a watch item. Moat durability is a watch item. The company does not have a balance-sheet wipeout issue at about 1.58x net debt / TTM NEBITDA, and FCF conversion is strong enough to avoid an accounting veto.

Threshold tests after audit: total score >= 80 is false; business quality >= 65/80 is false; valuation score >= 15/20 is false; base-case IRR >= 20% is false; bear-case IRR >= 8%-10% is false; no-hard-vetoes is false because the 20% base case fails for Investable Now. The score-implied classification remains Watchlist.

7. Final 20% Hurdle Pass/Fail

Final 20% hurdle result: fail. The bull case clears, but the base case does not. The base case does not require terminal multiple expansion to reach the P/E 15 ER2 test, but it does require either a higher ending value than 15x base EPS provides or a lower entry price to reach 20% annualized. At the supplied $91.02 price, the audited maximum buy price for a 20% base-case IRR remains about $72.30, subject to the simplification that interim buybacks rather than dividends return cash.

8. Dream Business / Dream Investment Classification

Classification: neither. GoDaddy may be a good business and a potentially attractive value investment at the right price, but it is not a dream business because the blended moat and 2046 test are YELLOW, A&C durability is unproven at product level, and ROIIC is not cleanly measurable. It is not a dream investment because the base-case return does not clear 20% at the supplied price.

The single biggest reason GoDaddy does not qualify is that the base-case 20% return depends on more than the base operating model at a 15x exit P/E. It needs a lower entry price, stronger EPS, better buybacks, or multiple support.

9. Stage 7 Scorecard Notes

Compounder Score note: 61/100; Watchlist because GoDaddy has strong cash generation and a real Core moat, but audited evidence does not prove a clean high-ROIIC reinvestment runway or a base-case 20% return.

Business Quality Score note: 54/80; good but capped by incomplete ROIIC/reinvestment measurement, product-level A&C/Airo disclosure gaps, YELLOW moat and 2046 tests, material SBC, and buyback dependence.

20% Return UW Score note: 7/20; base-case EPS of $11.99 at a 15x exit P/E implies about 14.6% annualized from $91.02, so the 20% case requires a lower entry price, higher EPS, bull execution, or multiple support.

10. Auditor JSON

The companion file `compounder_score_audit.json` contains the machine-readable audited score, reductions, unsupported claims, calculation issues, missing data, and scorecard notes.

Appendix RT - Red Team

GoDaddy Inc. (GDDY) - Red Team Appendix

Prepared for ER2 / Gideon. Role: Sub-Agent RT, adversarial review. Scope owned by this file only. Local controlling inputs: `appendix_synthesis.md`, the two segment appendices, `appendix_management.md`, `appendix_moat.md`, and `data_package.md`. The official SEC / GoDaddy segment tables control; the broken FMP quarterly segmentation endpoint is not used.

1. The most fragile assumption

The single most fragile Stage 5 assumption is the Applications and Commerce base case: A&C grows from $1.9408B of TTM revenue to $2.874B in TTM+5, a blended 8.2% CAGR, while its Segment EBITDA proxy margin expands from 45.6% TTM to 47.0%. The exact product lines under attack are "Websites / presence / Airo-led creation and attach" at an 8.0% base CAGR, "Commerce / marketing / payments" at 11.0%, and the total A&C Segment EBITDA proxy of $1.352B in the synthesis table. This is not a disclosed product build. It is an analyst allocation layered onto a segment total that GoDaddy reports only as revenue and Segment EBITDA.

The fragility is not that A&C is weak today. It is not. A&C revenue grew 14.4% in Q2 2025, 13.7% in Q3 2025, 12.8% in Q4 2025, and 11.6% in Q1 2026, with TTM Segment EBITDA margin of 45.6%. The fragility is that the model assumes a smooth deceleration to high-single-digit growth and a modest margin expansion even though the leading disclosed company metrics are already decelerating: total bookings slowed to 2.7% in Q1 2026, ARR growth slowed to 5.8%, and total customer counts were declining in Q2-Q4 2025 while ARPU carried growth. A&C can keep compounding from this base, but the thesis needs GoDaddy to convert a shrinking or lower-quality top-of-funnel into more attached products at high incremental margin. That is a harder ask than the historical segment CAGR makes it look.

The most important missing evidence is product-level durability. GoDaddy does not disclose GAAP revenue for Websites, Commerce, Payments, Airo, Email/Productivity, Hosting, Security, domain protection, or aftermarket domains across the last three fiscal years. Airo AI Builder has more than $10M of annualized bookings run-rate, but the data package explicitly flags that this is bookings, not GAAP revenue. Airo attach, retention, and product-release commentary may be real, but the base case capitalizes those signals into a five-year A&C growth bridge before the company has disclosed whether Airo is large, incremental, high-retention, and high-margin in recognized revenue terms.

The downside mechanism is straightforward. Website creation, content generation, logos, basic SEO, appointment pages, marketing copy, and starter storefront setup are exactly the workflows that general-purpose AI and specialist website builders are trying to compress. Wix says it launched its AI Website Builder globally in early 2024 and highlights AI tools across site creation, ecommerce, marketing, customer care, and development velocity. Shopify's Q1 2026 release shows the commerce specialist still compounding at scale: GMV was $100.7B, up 35% as reported, while revenue grew 34% and Merchant Solutions revenue grew 39%. GoDaddy does not need to beat Wix or Shopify in their core markets, but it must hold enough long-tail customer attention for A&C to keep growing above the company average. The red-team view is that this is the live fight, not a solved outcome.

The EPS impact is material. The synthesis sensitivity table states that A&C revenue CAGR 200 bps below base cuts horizon EPS by $0.99, holding margins and share count constant. If the actual A&C CAGR is closer to 5.5% than 8.2%, the hit is roughly $1.3-$1.4 before considering margin. A 200 bps miss on A&C Segment EBITDA margin at the base horizon revenue would remove about $57M of pre-tax segment profit proxy, or around $0.43 of after-tax EPS on the base share count. Combine slower A&C growth with no margin expansion and the base EPS moves from $11.99 toward the low-$10 range before any Core, reconciliation, or buyback disappointment. That still may clear P/E 15 at the supplied $91.02 price, but the base cushion would be materially overstated.

2. The most-likely-to-be-optimistic Stage 5 number

The most likely optimistic Stage 5 number is not bull revenue. It is the base diluted share count of 105.6M. The synthesis explicitly shows that base EPS would be $9.43 on the current 134.3M share count, versus $11.99 after the assumed repurchase path. The buyback path therefore contributes roughly $2.56 of base horizon EPS, or about 21% of the base outcome. That is too important to treat as a mechanical continuation of the recent record.

The path requires $1.0B of repurchases every year for five years, at average repurchase prices rising from $100 to only $140, while SBC issuance adds 2.7M shares annually. This assumes not only continued authorization beyond the $1.8855B remaining at March 31, 2026, but also attractive execution prices. The management appendix already warns that the program is systematic rather than clearly opportunistic. Q4 2025 buyback prices were in the $127-$134 range, and Q1 2026 repurchases happened after the stock had already appreciated substantially from 2022-2023 levels. If the stock rerates on the bullish Airo / A&C narrative, the company retires fewer shares per dollar; if the stock does not rerate because A&C decelerates, free cash flow and leverage flexibility may be less abundant than the base case assumes.

A simple alternative shows the risk. If base net income of $1.266B is right but share count lands near the bear-case 115.8M rather than 105.6M, EPS is about $10.93, not $11.99. If the average repurchase price rises into the $150-$180 range while SBC stays near the modeled share issuance, the same $5B of gross buybacks retires far fewer shares. If management chooses to preserve cash for AI investment, commerce risk, debt flexibility, or opportunistic acquisitions, the denominator falls even less. This is not fatal by itself; the synthesis sensitivity says a 5% higher share count reduces EPS by $0.57. But the red-team point is sharper: the base case uses buybacks to convert a good business outcome into a very strong per-share outcome, while the buyback math is least powerful precisely when the stock market agrees with the thesis.

3. The strongest bear case, stated in its strongest form

GoDaddy is becoming a cash-rich registrar whose growth story depends on turning a domain funnel into an AI-enabled SMB software platform just as AI reduces the scarcity value of starter websites and specialist platforms capture the best commerce economics. Core Platform will not collapse, but its latest growth was only 2.8%, Core other declined in Q1 2026, and Cloudflare openly offers registrar service at cost with no markup, pressuring sophisticated customers and multi-domain owners. A&C can keep growing for a while, but if Airo is mainly a defensive conversion tool rather than a high-retention revenue product, the segment normalizes to mid-single-digit growth while AI compute, support complexity, payment costs, and resale economics cap margins. Within four to eight quarters, the evidence would show up in A&C growth falling below high single digits, total bookings remaining low single digit, ARPU growth slowing, and buybacks doing more of the EPS work than operating income. In that version, GoDaddy is still profitable, but the Stage 5 base should be rewritten around harvest economics, not durable compounding.

4. Cross-examination of management commentary

First, management's Airo and A&C language may be overpromising relative to revenue proof. The data package captures claims that Airo was "completely enabled for Agentic AI," that Airo.ai had "dozens of agents," that exposed cohorts showed "near perfect retention rates," and that Airo created a "nearly 30% lift" in attach. A skeptical read is not that management fabricated the operating signal; it is that attach and retention can look excellent in early, selected, promotional, or high-intent cohorts before they translate into large GAAP revenue. The first evidence of failure would be A&C revenue growth crossing below 8% while Airo bookings remain small or undisclosed and ARPU growth decelerates from the recent 9%-10% pace.

Second, the "subscription and credits" monetization language for Airo AI Builder is less comforting than it appears. Credits can be an elegant way to price compute usage, but they can also hide the margin problem until usage scales. If customers consume AI features heavily before GoDaddy has proven pricing power, the product can improve conversion while absorbing the very operating leverage the synthesis assumes. The first place this would show up is not necessarily reported Airo revenue, because it is not separately disclosed. It would appear in A&C Segment EBITDA margin failing to hold the mid-40s despite continued product launches, or in the consolidated reconciliation expense growing faster than modeled as AI, support, SBC, and infrastructure costs leak through below Segment EBITDA.

Third, management's "compounding free cash flow" and "20%+ FCF/share CAGR" framing deserves a tougher denominator test. GoDaddy's FCF record is good, but FCF per share can compound through lower shares even when business quality is flattening. The red-team problem is that the model may overweight share retirement because the past five years included very large margin expansion, capex falling below 1% of revenue, and a share count drop from 171.1M in FY2021 to 134.3M in Q1 2026. Those are not all repeatable levers. If future FCF per share growth is driven mainly by repurchases while bookings, ARR, and A&C growth slow, the stock can become optically cheap on EPS while losing the quality-compounder argument.

5. Stage 5 tie-out reverification

The recency anchor ties arithmetically. The synthesis uses TTM revenue of $5.0237B, Q1 2026 annualized revenue is $5.0676B, and the base first-forward-year revenue path is around 6% above TTM. That is not a stale or mathematically broken starting point. The red-team issue is trend interpretation. Consolidated growth slowed from 10.3% in Q3 2025 to 6.1%

in Q1 2026. A&C slowed every quarter in the last-four-quarter table, from 14.4% to 11.6%. Core slowed to 2.8%, and the Q1 product split shows Core Platform other down 1.9%. The model is allowed to use TTM, but the trend line is already warning that the next revision risk is downward if A&C does not stabilize.

The Segment EBITDA-to-GAAP operating income bridge is acceptable as a disclosure-respecting convention, but it is not a low-risk proof of margin. Segment operating income is not disclosed. The synthesis bridges segment EBITDA proxies to consolidated operating income through a reconciling expense that grows 4.0% annually in the base case, below the 5.3% revenue CAGR. That may be reasonable, but it depends on the same strategic story: AI and automation must reduce cost or improve conversion faster than product complexity, compute, SBC, support, payment compliance, and customer acquisition consume expense. If the reconciling item grows at revenue growth rather than 4%, or if A&C margin fails to expand, base operating income is overstated.

The share count path is explicit, but its realism is conditional. The model assumes $5B of gross buybacks through the base period. TTM FCF was $1.6759B, so $1B per year is not impossible. But it competes with AI investment, possible strategic flexibility, debt management, and the simple fact that repurchases at higher stock prices have lower EPS yield. A base case that needs A&C to work and the stock to remain cheap enough for aggressive buybacks is internally tense. If the market recognizes the thesis early, the denominator math weakens. If the market does not recognize it because fundamentals disappoint, management may not have the same FCF cushion.

Product growth assumptions are also asymmetrical. The A&C base case is presented as conservative because it decelerates from 13.9% historical CAGR to 8.2%. That is fair on a surface historical screen, but the product mix is undisclosed and the competitive set is moving quickly. Wix is marketing a broad AI website creation stack. Shopify is absorbing commerce economics at scale. Microsoft and Google own productivity surfaces. Stripe, PayPal, Block, and vertical software vendors attack payments and business workflows. A product-level build without product-level revenue can be directionally useful, but it should not earn the same confidence as a disclosed cohort model.

6. The signal that forces an exit

The exit signal should be: A&C revenue growth below 8.0% year over year for two consecutive reported quarters, unless A&C Segment EBITDA margin is at least 46.0% and total bookings growth has reaccelerated above 6.0% in the same period. The primary trigger is A&C growth because A&C supplies roughly 63% of base incremental revenue in the synthesis and is the segment carrying the Airo monetization narrative. The margin and bookings clauses prevent a false exit on one quarter of mix noise: if growth slows but margins and bookings are improving, the business may simply be optimizing quality. But if A&C drops below high single digits for two quarters while bookings remain weak or margins fail to expand, the base case is no longer evidence-consistent.

This signal invalidates the thesis because it attacks the exact bridge from today's company to the Stage 5 base. Core can remain a good cash engine at low-single-digit growth, but it cannot carry the whole five-year compounding case. If A&C becomes mid-single-digit and the company still lacks product-level proof of Airo revenue, GoDaddy is a buyback and cash-flow harvest story. That may still be investable at the right price, but it is not the same Gideon-quality compounder implied by a 97.6% base P/E 15 cushion.

7. Conviction at the end of red team

Conclusion: conditional. The thesis survives only as a base-case arithmetic pass, not as a clean moat pass. The current data do not justify calling GoDaddy broken: Core is stable, segment margins are high, free cash flow is real, leverage is moderate, management has a strong capital allocation record, and the official segment tie-outs are clean. The red team does not reject the P/E 15 pass.

But the investment case should be sized as a yellow-moat, denominator-assisted compounder, not as a high-confidence software franchise. The most dangerous break is a two-step failure: Airo helps GoDaddy defend conversion but does not become material high-margin revenue, while Core remains a mature low-growth platform. In that case, the company can still produce cash, but Stage 5 base EPS is too optimistic because A&C revenue, A&C margin, the reconciliation bridge, and the 105.6M share count all lean in the same favorable direction.

The synthesis should keep the official segment tables and exclude the broken FMP quarterly segmentation, but it should raise the prominence of the bear case. Bear is not a remote disaster scenario; it is close to the current evidence if the next two quarters continue the Q1 2026 pattern of slower bookings, slower ARR, slower A&C, and low-single-digit Core. A BUY can still be defended only if the orchestrator accepts that the core monitoring burden is immediate: A&C must stay high-single-digit or

better, Airo must become visible beyond bookings anecdotes, and buybacks must remain valuation-disciplined rather than merely large.

Sources reviewed

- Local ER2 files in `C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy`: `appendix_synthesis.md`, `appendix_B_applications_and_commerce.md`, `appendix_B_core_platform.md`, `appendix_management.md`, `appendix_moat.md`, and `data_package.md`.
- Shopify Q1 2026 press release: https://www.shopify.com/investors/press-releases/shopify-delivers-again-merchants-clear-100-billion-q1-gmv
- Wix FY2025 / 2026 outlook release: https://www.nasdaq.com/press-release/wix-reports-fourth-quarter-and-full-year-2025-results-2026-03-04-0
- Wix AI overview: https://investors.wix.com/ai
- Cloudflare Registrar documentation: https://developers.cloudflare.com/registrar/
- Verisign Q1 2026 results: https://www.nasdaq.com/press-release/verisign-reports-first-quarter-2026-results-2026-04-23

Appendix D - Data Package (raw historicals)

GoDaddy Inc. (GDDY) - Data Package

PATH_RECEIVED: C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\data_package.md

Prepared for ER2 / Gideon Sub-Agent D on 2026-05-09. Fiscal year ends December 31. Most recently reported quarter: Q1 2026, quarter ended March 31, 2026, reported April 30, 2026. TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. Forward horizon: TTM + five calendar years = 2031-03-31.

Live-source rule followed: all quantitative data was fetched in this run from FMP stable endpoints and official GoDaddy / SEC EDGAR sources. No local data warehouse cache was used. D-specific raw files are saved under `C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\raw\D_20260509_live\`. FMP endpoint references below omit the API key by design.

Source register:

Source	Live endpoint / URL	D raw file
FMP annual income statement	`/stable/income-statement?symbol=GDDY&period=annual&limit=7`	`GDDY_income_statement_annual.json`
FMP quarterly income statement	`/stable/income-statement?symbol=GDDY&period=quarter&limit=10`	`GDDY_income_statement_quarter.json`
FMP annual cash flow	`/stable/cash-flow-statement?symbol=GDDY&period=annual&limit=7`	`GDDY_cash_flow_annual.json`
FMP quarterly cash flow	`/stable/cash-flow-statement?symbol=GDDY&period=quarter&limit=10`	`GDDY_cash_flow_quarter.json`
FMP balance sheet	`/stable/balance-sheet-statement?symbol=GDDY&period=annual/quarter`	annual and quarter JSON files
FMP product segmentation	`/stable/revenue-product-segmentation?symbol=GDDY&period=annual/quarter`	annual and quarter JSON files
FMP transcripts	`/stable/earning-call-transcript?symbol=GDDY&year=...&quarter=...`	Q2 2025 through Q1 2026 transcript JSON files
SEC submissions and companyfacts	`https://data.sec.gov/submissions/CIK0001609711.json`; `https://data.sec.gov/api/xbrl/companyfacts/CIK0001609711.json`	SEC JSON files
FY2025 Form 10-K	`https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm`	`GDDY_FY2025_10K.html`
FY2021-FY2024 Forms 10-K	SEC EDGAR archive URLs from submissions index	FY2021-FY2024 10-K HTML files
Q2/Q3/Q4 2025 and Q1 2026 earnings exhibits	SEC EDGAR 8-K Exhibit 99.1 URLs	quarterly 8-K HTML files
2024 Investor Day	`https://aboutus.godaddy.net/files/doc_presentations/2024/March/2024_Inv-Day_FINAL.pdf`	PDF and extracted text

1. Reporting structure & taxonomy

Current reportable segments:

Segment	Description	FY2025 revenue ($B)	FY2025 % of total	Source
Applications and Commerce (A&C)	Websites, commerce, marketing, payments-related tools, third-party email/productivity offerings, and other presence / software tools sold to entrepreneurs.	1.889	38.2%	FY2025 10-K segment note; Q4 2025 8-K Exhibit 99.1
Core Platform	Domain registrations and renewals, aftermarket domains, domain protection, website hosting, security, and related platform infrastructure products.	3.062	61.8%	FY2025 10-K segment note; Q4 2025 8-K Exhibit 99.1

Segment	Description	FY2025 revenue ($B)	FY2025 % of total	Source
Total	Consolidated revenue.	4.951	100.0%	FY2025 10-K; FMP annual income statement

Taxonomy conclusion: GoDaddy changed its reporting structure before FY2022 / FY2023 presentation. Older public reporting used Domains, Hosting and Presence, and Business Applications. The FY2022 Form 10-K includes a restatement bridge that revises FY2021 and FY2020 from the old three-line revenue taxonomy into the current Applications and Commerce and Core Platform taxonomy. Therefore, the current two-segment taxonomy is usable for FY2021-FY2025 in official SEC tables. Section 3 uses these official restated tables, not the broken FMP quarterly segmentation endpoint.

Important FMP segmentation flag: the live FMP annual product segmentation endpoint ties FY2025 annual official segment revenue, but the live FMP quarterly product segmentation endpoint is broken and must not be used downstream. Examples from this run: Q4 2025 returns zero revenue for both A&C and Core Platform, while official Q4 2025 revenue is $497.7mm and $776.2mm, respectively; Q1 2026 FMP quarterly segmentation returns A&C $1,152.9mm and Core $2,297.7mm, matching the Q1 2026 10-Q remaining-performance-obligation / deferred-revenue schedule rather than official Q1 revenue of $498.2mm and $768.7mm. This package preserves the failure and uses official SEC / GoDaddy segment tables as controlling under the user-authorized primary-source override.

Geographic revenue is material but is not a reportable segment. Official 10-K geography:

Geography	FY2021	FY2022	FY2023	FY2024	FY2025	FY2025 % total	Source
U.S. revenue ($B)	2.545	2.757	2.873	3.113	3.324	67.1%	FY2022-FY2025 10-K geography tables
International revenue ($B)	1.271	1.334	1.381	1.460	1.627	32.9%	FY2022-FY2025 10-K geography tables
Total revenue ($B)	3.816	4.091	4.254	4.573	4.951	100.0%	FY2025 10-K

2. Consolidated historicals (5 years, FMP-sourced)

All dollar figures in this section are FMP stable annual statement data, except ROIC, which is calculated below. Values are rounded to three decimals in billions unless noted.

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	3.816	4.091	4.254	4.573	4.951	FMP annual income statement; FY2025 ties 10-K
Operating income ($B)	0.382	0.499	0.547	0.894	1.133	FMP annual income statement
Operating margin (%)	10.0%	12.2%	12.9%	19.5%	22.9%	Calculated from FMP
Net income ($B)	0.242	0.352	1.375	0.937	0.875	FMP annual income statement; FY2023 includes large tax benefit
EPS diluted ($)	1.42	2.18	9.08	6.45	6.23	FMP annual income statement
Diluted share count (M)	171.1	161.5	151.5	145.3	140.6	FMP annual income statement through FY2024; FY2025 official 10-K overrides FMP share-count anomaly
Capex ($B)	0.253	0.060	0.077	0.027	0.024	FMP annual cash flow; cash outflow shown positive here
FCF ($B)	0.576	0.920	0.970	1.261	1.576	FMP annual cash flow, OCF less capex
ROIC (%)	12.0%	14.5%	14.1%	20.7%	28.4%	Calculated; see note

ROIC calculation: NOPAT = FMP operating income multiplied by 79.0%, using a normalized 21.0% tax rate because GoDaddy's reported tax line is distorted by deferred tax effects and FY2023 tax benefit. Invested capital = total debt + total stockholders' equity - cash and equivalents. Average invested capital is the average of beginning and ending invested capital. This is a rough operating-capital measure; GoDaddy has low or negative tangible book value because of leverage, buybacks, and acquisition intangibles, so ROIC is highly sensitive to the invested-capital definition. FY2025 calculation: NOPAT =

$1.133B x 79.0% = $0.895B; average invested capital = $3.156B; ROIC = 28.4%.

Data quality notes for consolidated historicals: FY2025 official 10-K operating income is $1.127B in the primary filing and Q4 release, while the live FMP annual row returns $1.133B. This is not used for segment modeling, and official quarterly values control the TTM base. FY2025 diluted share count is the official 10-K weighted-average diluted share count of 140.621mm; the live FMP annual income-statement row returned 136.167mm, which does not reconcile to official diluted EPS. FY2023 net income of $1.375B is not a normalized earnings run-rate because it includes a large income-tax benefit.

3. Segment historicals (5 years per segment, official SEC / GoDaddy tables)

Segment operating income is not disclosed. GoDaddy's official segment profitability metric is Segment EBITDA. Downstream segment work should use segment revenue and Segment EBITDA, and should not fabricate segment operating income.

Applications and Commerce

A&C	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	1.128	1.280	1.430	1.653	1.889	FY2022-FY2025 10-K segment tables
YoY %	n/a	13.4%	11.8%	15.6%	14.3%	Calculated
Segment EBITDA ($B)	0.448	0.523	0.594	0.739	0.857	FY2022-FY2025 10-K segment tables
Segment EBITDA margin (%)	39.7%	40.9%	41.5%	44.7%	45.4%	Calculated

Interpretation for downstream modelers: A&C is the faster-growth, higher-margin segment. The official table shows five-year revenue CAGR from FY2021 to FY2025 of about 13.7% and margin expansion from 39.7% to 45.4%. Growth has decelerated from the post-taxonomy-change base but remained double-digit in each of FY2023-FY2025.

Core Platform

Core Platform	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	2.687	2.812	2.824	2.920	3.062	FY2022-FY2025 10-K segment tables
YoY %	n/a	4.6%	0.4%	3.4%	4.9%	Calculated
Segment EBITDA ($B)	0.680	0.784	0.816	0.932	1.010	FY2022-FY2025 10-K segment tables
Segment EBITDA margin (%)	25.3%	27.9%	28.9%	31.9%	33.0%	Calculated

Interpretation for downstream modelers: Core Platform is larger and slower growing, but margins improved materially. The segment is anchored by domain registrations / renewals and aftermarket activity, with hosting and security also included. Core Platform grew only 0.4% in FY2023, then reaccelerated to 3.4% in FY2024 and 4.9% in FY2025.

Segment tie-out: FY2025 A&C $1.889B + Core Platform $3.062B = total revenue $4.951B. FY2025 A&C Segment EBITDA $0.857B + Core Segment EBITDA $1.010B = total Segment EBITDA $1.867B. The FY2025 10-K reconciliation then deducts unallocated corporate overhead, D&A, equity compensation, interest, restructuring/other, and taxes to reach net income.

4. Product / sub-segment historicals (most granular disclosed in dollars)

The finest recurring dollar disclosure is the two reportable segments. GoDaddy does not disclose separate annual dollar revenue for Websites, Commerce, Payments, Email/Productivity, Hosting, Security, domain protection, or aftermarket domains across the last three fiscal years. Do not back-fill those product lines with model memory.

Segment	Product / sub-product	What it is	Dollar disclosure?	Last available dollar data and source
A&C	Websites / website builder / Websites + Marketing	Site creation and marketing tools for small businesses.	No standalone annual dollars.	Included inside A&C segment revenue. Q1 2026 transcript discusses Airo AI Builder but does not disclose revenue.
A&C	Commerce / payments / marketing suite	Storefront, commerce, marketing, and related business tools.	No standalone annual dollars.	Included inside A&C. No product revenue split in FY2025 10-K or Q1 2026 release.

Segment	Product / sub-product	What it is	Dollar disclosure?	Last available dollar data and source
A&C	Third-party email and productivity	Resold productivity tools and related services.	No standalone annual dollars.	Included inside A&C.
Core Platform	Domains	Domain registrations, renewals, and aftermarket domain sales.	Limited quarterly split only.	Q1 2026 10-Q discloses Core Platform: domains revenue of $586.2mm vs $561.9mm in Q1 2025.
Core Platform	Core Platform: other	Hosting, security, domain protection, non-domain platform products.	Limited quarterly split only.	Q1 2026 10-Q discloses Core Platform: other revenue of $182.5mm vs $186.0mm in Q1 2025.
Company-wide	ARR	Annualized recurring revenue across the business.	Yes, KPI dollars, not GAAP revenue.	Q1 2026 ARR $4.288B; Q4 2025 ARR $4.336B; Q3 2025 ARR $4.294B; Q2 2025 ARR $4.181B.
Company-wide	Total bookings	Gross sales / bookings metric.	Yes, KPI dollars, not GAAP revenue.	Q1 2026 bookings $1.455B; Q4 2025 bookings $1.283B; Q3 2025 bookings $1.355B; Q2 2025 bookings $1.345B.

Products / KPIs where only growth rates or non-revenue operating metrics are disclosed:

Product / KPI	Disclosure method	Last four quarters YoY growth	Source
Airo / Airo.ai / Airo AI Builder	Management commentary and selected non-revenue metrics; no product revenue dollars.	No GAAP product revenue growth disclosed. Q1 2026 transcript says Airo AI Builder crossed $10mm in annualized bookings run-rate, but this is bookings, not revenue.	FMP Q1 2026 transcript; Q1 2026 8-K
ARR	Company-wide annualized recurring revenue KPI.	Q2 2025 +8.5%; Q3 2025 +8.0%; Q4 2025 +7.3%; Q1 2026 +5.8%.	Quarterly 8-K Exhibit 99.1 tables
Total bookings	Company-wide operating KPI.	Q2 2025 +6.6%; Q3 2025 +9.1%; Q4 2025 +5.0%; Q1 2026 +2.7%.	Quarterly 8-K Exhibit 99.1 tables
ARPU	Average revenue per user.	Q2 2025 +9.5%; Q3 2025 +10.2%; Q4 2025 +10.0%; Q1 2026 +9.3%.	Quarterly 8-K Exhibit 99.1 tables
Total customers	Period-end customers.	Q2 2025 -2.2%; Q3 2025 -1.5%; Q4 2025 -0.4%; Q1 2026 not shown in Q1 table.	Quarterly 8-K Exhibit 99.1 tables

No product-dollar back-solving is used in this package. Any downstream model that allocates A&C into Websites, Commerce, Payments, Email/Productivity, or Airo must label the split as an analyst estimate, not as historical disclosed dollars.

5. Most recent quarterly trend (last 4 quarters)

Anchor: Company FY ends December 31. Most recently completed fiscal quarter at time of writing: FY2026 Q1, covering January 1 to March 31, 2026, reported on April 30, 2026 via SEC 8-K Exhibit 99.1 at `https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm`.

Quarter	Total revenue ($B)	Total YoY	Operating margin	A&C revenue ($B)	A&C YoY	A&C Segment EBITDA margin	Core revenue ($B)	Core YoY	Core Segment EBITDA margin	Source
Q2 2025	1.218	8.3%	21.9%	0.464	14.4%	44.4%	0.754	4.8%	32.7%	Q2 2025 8-K Ex. 99.1 and 10-Q
Q3 2025	1.265	10.3%	23.4%	0.481	13.7%	45.7%	0.784	8.3%	33.0%	Q3 2025 8-K Ex. 99.1 and 10-Q
Q4 2025	1.274	6.8%	24.9%	0.498	12.8%	47.1%	0.776	3.3%	34.8%	Q4 2025 8-K Ex. 99.1 and FY2025 10-K
Q1 2026	1.267	6.1%	24.5%	0.498	11.6%	45.2%	0.769	2.8%	33.0%	Q1 2026 8-K Ex. 99.1 and 10-Q
TTM	5.024	n/a	23.7%	1.941	n/a	45.6%	3.083	n/a	33.4%	Sum of official Q2 2025-Q1 2026

TTM values for downstream use: revenue $5.0237B; A&C revenue $1.9408B; Core revenue $3.0829B; operating income $1.1905B; net income $0.8701B; operating cash flow $1.6662B; official GoDaddy-defined FCF $1.6759B; A&C Segment EBITDA $0.8852B; Core Segment EBITDA $1.0285B; NEBITDA $1.6350B.

Recent trend read-through: consolidated reported growth slowed from 10.3% in Q3 2025 to 6.1% in Q1 2026. A&C remained double-digit but decelerated to 11.6% in Q1 2026. Core Platform growth slowed sharply to 2.8% in Q1 2026, though its EBITDA margin still expanded year over year. This is the key recency tension for the segment appendices: the margin story is strong, but growth contribution is increasingly dependent on A&C execution and AI/product attach.

6. Management commentary on forward growth

Copyright note: the data package uses short verbatim excerpts only and otherwise paraphrases live-fetched transcript and Investor Day commentary. Full transcript JSON files are saved in the D raw folder for reviewer spot-checks.

Applications and Commerce / Airo

Period and call date	Speaker	Short verified excerpt	Topic	Modeling interpretation
Q2 2025 call, 2025-08-07	Mark McCaffrey, CFO	"A&C revenue growth of 14%"	A&C growth	Confirms A&C was the main growth engine in mid-2025; modelers should not let A&C fall to Core-like growth without an explicit deceleration case.
Q2 2025 call, 2025-08-07	Aman Bhutani, CEO	"completely enabled for Agentic AI"	Airo / AI product roadmap	Management is positioning Airo as a broad product experience, not a one-off feature. The revenue contribution is still not separately disclosed.
Q3 2025 call, 2025-10-30	Aman Bhutani, CEO	"dozens of agents on Airo.ai"	Airo.ai launch cadence	Supports a forward assumption that product release velocity is high; it does not by itself prove monetization.
Q3 2025 call, 2025-10-30	Mark McCaffrey, CFO	"near perfect retention rates"	Airo cohorts / higher-value customers	Management claims strong retention in Airo-exposed cohorts; downstream analysis should test whether ARPU growth and customer-count declines are consistent with this.
Q4 2025 call, 2026-02-24	Aman Bhutani, CEO	"identity, presence and commerce"	Platform strategy	Management's intended bundle is identity + website/presence + commerce; this is the conceptual basis for attach and A&C mix expansion.
Q4 2025 call, 2026-02-24	Aman Bhutani, CEO	"nearly 30% lift"	Airo attach	The call ties Airo to product attach, but not to separately disclosed revenue. Treat as leading indicator, not segment historical data.
Q1 2026 call, 2026-04-30	Aman Bhutani, CEO	"subscription and credits"	Airo AI Builder monetization	Airo AI Builder monetization appears to include subscriptions and credits. The disclosed $10mm-plus annualized bookings run-rate is not GAAP revenue.

Core Platform / domains / hosting

Period and call date	Speaker	Short verified excerpt	Topic	Modeling interpretation
Q2 2025 call, 2025-08-07	Mark McCaffrey, CFO	"contribute to both A&C and core platform"	Airo attach crossing segments	Airo-led higher-value cohorts may help domains and bundling, not only A&C. This matters for Core Platform assumptions.

Period and call date	Speaker	Short verified excerpt	Topic	Modeling interpretation
Q3 2025 call, 2025-10-30	Aman Bhutani, CEO	"sell more and more domains"	AI and website/domain demand	Management argues AI-generated content and websites can be domain-positive. This is a key rebuttal to an AI-disintermediation risk.
Q4 2025 call, 2026-02-24	Aman Bhutani, CEO	"domains funnel"	Top-of-funnel scale	Core domains remain the largest funnel for attach. The model should treat domains as both revenue base and customer acquisition surface.
Q1 2026 call, 2026-04-30	Aman Bhutani, CEO	"world's largest domain registrar"	Domain market position	Supports scale advantage, but Q1 Core growth was only 2.8%, so position does not equal high organic growth.
Q1 2026 call, 2026-04-30	Aman Bhutani, CEO	"does use GoDaddy hosting"	Airo AI Builder infrastructure	Airo AI Builder may support hosting usage, but no hosting revenue uplift is separately disclosed.

Margins, free cash flow, and capital allocation

Source	Speaker / source	Short verified excerpt	Topic	Modeling interpretation
2024 Investor Day, 2024-03-06	Investor Day deck	"6%-8% Annual revenue growth"	Long-term target	Management's 2024-2026 framework targeted mid-single to high-single digit revenue growth; recent Q1 2026 growth of 6.1% is within the range but decelerating.
2024 Investor Day, 2024-03-06	Investor Day deck	"~33% NEBITDA margin in 2026"	Margin target	Q1 2026 NEBITDA margin was 32.6%, close to the stated 2026 target.
2024 Investor Day, 2024-03-06	Investor Day deck	"20%+ FCF/share CAGR"	Shareholder value model	The investment case is explicitly FCF-per-share compounding, not just revenue acceleration.
Q4 2025 call, 2026-02-24	Mark McCaffrey, CFO	"strong operating leverage"	Margin expansion	Management claims operating leverage can fund AI investment while protecting margins.
Q1 2026 call, 2026-04-30	Mark McCaffrey, CFO	"compounding free cash flow"	Cash generation	Confirms free cash flow remains the North Star for management's shareholder-value message.

Transcript date verification: FMP transcript files returned Q2 2025 dated 2025-08-07, Q3 2025 dated 2025-10-30, Q4 2025 dated 2026-02-24, and Q1 2026 dated 2026-04-30. These dates align with the expected reporting windows for a December 31 fiscal-year company.

7. Capital allocation history (5 years)

Dollar values are FMP annual cash-flow statement pulls unless noted. Capex, buybacks, and acquisitions are shown as positive cash outflows for readability. GoDaddy pays no common dividend.

Year	Capex ($B)	Capex / revenue	R&D / T&D ($B)	R&D / revenue	Buybacks ($B)	Dividends ($B)	M&A cash outflow ($B)	Source
FY2021	0.253	6.6%	0.706	18.5%	0.526	0.000	0.368	FMP annual statements
FY2022	0.060	1.5%	0.794	19.4%	1.295	0.000	0.073	FMP annual statements
FY2023	0.077	1.8%	0.840	19.7%	1.270	0.000	0.000	FMP annual statements
FY2024	0.027	0.6%	0.814	17.8%	0.677	0.000	0.000	FMP annual statements
FY2025	0.024	0.5%	0.842	17.0%	1.602	0.000	0.000	FMP annual statements

Capital allocation read-through: GoDaddy is an asset-light, cash-generative business. Capex fell below 1% of revenue in FY2024-FY2025. The dominant use of excess cash has been buybacks, not dividends or M&A. The annual diluted weighted-average share count fell from 171.1mm in FY2021 to 140.6mm in FY2025, and Q1 2026 diluted weighted-average shares fell further to 134.3mm, which is material to the FCF-per-share story. M&A cash outflow was zero in FY2023-FY2025 in the FMP cash-flow statement.

8. Balance sheet snapshot (FY2025 and latest quarter)

Primary snapshot for recency is Q1 2026, quarter ended March 31, 2026. Values are FMP balance-sheet statement live pulls and tie to the Q1 2026 filing scale.

Item	Q1 2026 $B	FY2025 $B	Source
Cash & equivalents	1.262	1.081	FMP balance sheet; Q1 2026 10-Q
Short-term investments	0.000	0.000	FMP balance sheet
Total debt (current + LT)	3.848	3.780	FMP balance sheet
Net debt	2.586	2.699	FMP balance sheet
Net debt / TTM NEBITDA	1.58x	n/a	Q1 2026 net debt / official TTM NEBITDA $1.635B
Goodwill + intangibles	4.585	4.620	FMP balance sheet
Tangible book value	-4.348	-4.405	Total stockholders' equity less goodwill and intangibles
Deferred revenue	2.487	2.384	FMP balance sheet; Q1 2026 10-Q

Balance sheet interpretation: leverage is moderate versus NEBITDA at about 1.6x net debt / TTM NEBITDA, but tangible book value is negative because the business has been acquisitive historically and has returned substantial cash through buybacks. Liquidity is adequate with $1.262B of cash at Q1 2026. Debt and buybacks deserve continued monitoring because the P/E-15 framework depends on per-share compounding without excessive balance-sheet risk.

Balance-sheet modeling caution: deferred revenue is economically important for GoDaddy because customers often pay before revenue is recognized, and this working-capital structure helps explain why free cash flow can exceed simple earnings conversion in strong booking periods. The snapshot above should be read with the quarterly bookings and ARR tables rather than in isolation. A sharp bookings slowdown would likely show up first in deferred revenue and operating cash flow before it fully appears in recognized revenue. Conversely, the negative tangible book value should not be treated as a near-term solvency warning by itself; it mainly reflects capital returns, leverage, and acquired intangibles.

9. Recent corporate actions (last 12 months)

- 2025-04 / Q1 2025: Board approved a new $3.0B share repurchase authorization through the end of 2027, disclosed in subsequent 2025 filings and reflected in the FY2025 / Q1 2026 capital return program.
- FY2025: GoDaddy repurchased $1.602B of common stock on a cash-flow statement basis. No common dividends were paid. Source: FMP annual cash flow and FY2025 10-K.
- Q1 2026: GoDaddy repurchased approximately $280.5mm of shares on an FMP cash-flow statement basis; the Q1 2026 filing / external SEC text indicates roughly 3.0mm shares repurchased and $1.8855B remaining under authorization at March 31, 2026.
- Last four earnings calls: CEO Aman Bhutani and CFO Mark McCaffrey were the named management speakers on Q2 2025, Q3 2025, Q4 2025, and Q1 2026 calls. No CEO/CFO transition was identified in the live SEC filings reviewed for the last 12 months.
- M&A: FMP cash-flow statements show no acquisitions net cash outflow in FY2025 or Q1 2026. No material acquisition or divestiture announcement was identified in the live SEC filings reviewed for this package.
- Reporting / taxonomy: current two-segment reporting remains stable in FY2025 and Q1 2026. The relevant historical taxonomy restatement is older and already incorporated into FY2021-FY2025 official segment tables.

- Legal / regulatory: no large legal settlement or regulatory action was identified in the live sources fetched for this package. The filings continue to include ordinary-course risk factors around domain regulation, privacy, cybersecurity, AI, and platform dependence.

10. Open data gaps

- FMP quarterly product / segment segmentation is broken and excluded from downstream use. This is the most important data gap. The failure is preserved with exact examples: Q4 2025 returns zero segment revenue; Q1 2026 returns values that match the 10-Q remaining-performance-obligation / deferred-revenue schedule rather than official quarterly revenue. Official SEC / GoDaddy quarterly segment tables control for TTM and recent trend.
- Segment operating income is not disclosed. GoDaddy reports Segment EBITDA, not operating income, by segment. Downstream B and S agents must not invent segment operating income; any operating-income allocation is an analyst estimate.
- Product-level dollar revenue is not disclosed for Websites, Commerce, Payments, Airo, Email/Productivity, Hosting, Security, domain protection, or aftermarket domains across the last three fiscal years. The only granular dollar split found in Q1 2026 primary sources is Core Platform: domains and Core Platform: other for Q1 2026 versus Q1 2025.
- Airo / Airo.ai monetization is not reported as GAAP revenue. Management disclosed selected directional and bookings commentary, including a $10mm-plus annualized bookings run-rate for Airo AI Builder, but this should not be modeled as recognized revenue without a conversion assumption.
- ARR and bookings are useful operating KPIs but are not segment revenue. They should support recency checks and customer quality analysis, not replace segment historicals.
- ROIC is definition-sensitive because GoDaddy has low or negative tangible book value and heavy buybacks. The calculated ROIC table uses debt plus equity less cash for invested capital and a normalized 21% tax rate; reviewers may prefer an alternative operating invested-capital definition.
- FY2025 FMP annual operating income differs slightly from the official FY2025 10-K operating income. Official quarterly values control the TTM anchor, and the discrepancy is not used in segment modeling.
- Management-commentary excerpts are intentionally short for copyright compliance. The full fetched transcripts are saved as raw JSON files for reviewer verification.

Self-verification checks completed before return

Check	Result	Evidence
Largest segment latest-quarter growth	Passed	Q1 2026 official release shows Core Platform revenue $768.7mm, up 2.8%; URL: `https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm`.
Management quote spot-check	Passed	FMP Q2 2025 transcript dated 2025-08-07 contains the excerpt "A&C revenue growth of 14%"; file `GDDY_transcript_2025_Q2.json`.
FY2025 revenue	Passed	Live FMP annual income statement reports FY2025 revenue $4.9511B, tying to FY2025 10-K / Q4 2025 release total revenue within 1%.

Appendix QF - Quantitative Foundation

GoDaddy Inc. (GDDY) - Quantitative Foundation

PATH_RECEIVED: C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\quant_foundation.md

Scope: Sub-Agent QF. Live FMP stable endpoint pulls plus live SEC/official issuer filing/release pulls. Fiscal year ends December 31. TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31; forward compounding horizon ends 2031-03-31.

Source Register

Source	Live endpoint / URL	Saved local file
FMP product segmentation - quarter	/stable/revenue-product-segmentation?symbol=GDDY&period=quarter	raw/GDDY_revenue_product_segmentation_quarter.json
FMP product segmentation - annual	/stable/revenue-product-segmentation?symbol=GDDY&period=annual	raw/GDDY_revenue_product_segmentation_annual.json
FMP income statement - quarter	/stable/income-statement?symbol=GDDY&period=quarter&limit=12	raw/GDDY_income_statement_quarter.json
FMP income statement - annual	/stable/income-statement?symbol=GDDY&period=annual&limit=6	raw/GDDY_income_statement_annual.json
FMP balance sheet - quarter	/stable/balance-sheet-statement?symbol=GDDY&period=quarter&limit=8	raw/GDDY_balance_sheet_quarter.json
FMP cash flow - quarter	/stable/cash-flow-statement?symbol=GDDY&period=quarter&limit=12	raw/GDDY_cash_flow_quarter.json
FMP cash flow - annual	/stable/cash-flow-statement?symbol=GDDY&period=annual&limit=6	raw/GDDY_cash_flow_annual.json
FMP FY2025 10-K JSON	/stable/financial-reports-form-10-k-json?symbol=GDDY&year=2025&period=FY	raw/GDDY_2025_10k_fmp.json
FMP FY2023 10-K JSON	/stable/financial-reports-form-10-k-json?symbol=GDDY&year=2023&period=FY	raw/GDDY_2023_10k_fmp.json
SEC submissions index	https://data.sec.gov/submissions/CIK0001609711.json	raw/sec_submissions_CIK1609711.json
FY2025 Form 10-K	https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm	raw/GDDY_FY2025_10K.html
Q2 2025 Form 10-Q	https://www.sec.gov/Archives/edgar/data/1609711/000160971125000154/gddy-20250630.htm	raw/GDDY_Q2_2025_10Q.html
Q3 2025 Form 10-Q	https://www.sec.gov/Archives/edgar/data/1609711/000160971125000209/gddy-20250930.htm	raw/GDDY_Q3_2025_10Q.html
Q1 2026 Form 10-Q	https://www.sec.gov/Archives/edgar/data/1609711/000160971126000037/gddy-20260331.htm	raw/GDDY_Q1_2026_10Q.html
Q2 2025 8-K Ex. 99.1	https://www.sec.gov/Archives/edgar/data/1609711/000160971125000151/gddyex991-20250630xq2earni.htm	raw/GDDY_Q2_2025_8K_ex991.html
Q3 2025 8-K Ex. 99.1	https://www.sec.gov/Archives/edgar/data/1609711/000160971125000206/gddyex991-20250930xq3earni.htm	raw/GDDY_Q3_2025_8K_ex991.html
Q4/FY2025 8-K Ex. 99.1	https://www.sec.gov/Archives/edgar/data/1609711/000160971126000008/gddyex991x20251231xq4earni.htm	raw/GDDY_Q4_2025_8K_ex991.html
Q1 2026 8-K Ex. 99.1	https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm	raw/GDDY_Q1_2026_8K_ex991.html

Warehouse copy: live FMP JSON files copied without overwrite to `C:\Users\Admin\OneDrive\Cowork\Investing\data warehouse\er2_raw\GoDaddy\QF_20260509_live_fmp`.

P0 - Issuer Status

GoDaddy is a U.S. domestic SEC filer using Forms 10-K and 10-Q. The foreign issuer override is not used. Official SEC filings/releases are still the controlling source where FMP is inconsistent.

P0 gate-policy note: The principal explicitly authorized the domestic primary-source replacement rule for this run: "if segmentation broken then get from primary sources." Because GoDaddy's FMP quarterly revenue-product-segmentation endpoint is demonstrably broken, official SEC/GoDaddy quarterly segment tables are the controlling source for all downstream TTM and segment modeling. This is a user-authorized override of the strict domestic FMP Check 0 gate, not a claim that FMP quarterly segmentation is valid.

P1 - FMP Product / Segment Revenue Endpoint Pulls

FMP raw values are USD dollars exactly as returned by the endpoint. Product names are FMP names. The annual endpoint was independently pulled; the annual column below is not derived from quarters.

P1A - Annual Endpoint, Every Returned Year

FY	Date	Applications And Commerce	Business Applications	Core Platform	Domains	Hosting and Presence	Row total
2025	2025-12-31	1,889,000,000	0	3,062,100,000	0	0	4,951,100,000
2024	2024-12-31	1,653,000,000	0	2,920,200,000	0	0	4,573,200,000
2023	2023-12-31	1,430,400,000	0	2,823,700,000	0	0	4,254,100,000
2022	2022-12-31	795,200,000	0	1,929,100,000	0	0	2,724,300,000
2021	2021-12-31	0	489,500,000	0	1,323,200,000	820,700,000	2,633,400,000
2020	2020-12-31	0	422,400,000	0	1,221,100,000	792,900,000	2,436,400,000
2019	2019-12-31	0	350,000,000	0	1,134,900,000	713,900,000	2,198,800,000
2018	2018-12-31	0	224,100,000	0	686,300,000	483,300,000	1,393,700,000
2017	2017-12-31	0	326,800,000	0	1,057,200,000	847,900,000	2,231,900,000
2016	2016-12-31	0	241,400,000	0	927,800,000	678,700,000	1,847,900,000
2015	2015-12-31	0	174,500,000	0	840,800,000	592,000,000	1,607,300,000

P1B - Quarterly Endpoint, Every Returned Quarter

Date	FY	Period	Applications And Commerce	Business Applications	Core Platform	Domains	Hosting and Presence	Row total
2026-03-31	2026	Q1	1,152,900,000	0	2,297,700,000	0	0	3,450,600,000
2025-12-31	2025	Q4	0	0	0	0	0	0
2025-09-30	2025	Q3	1,112,000,000	0	2,251,500,000	0	0	3,363,500,000
2025-06-30	2025	Q2	1,094,000,000	0	2,243,500,000	0	0	3,337,500,000
2025-03-31	2025	Q1	446,400,000	0	747,900,000	0	0	1,194,300,000
2024-12-31	2024	Q4	441,200,000	0	751,400,000	0	0	1,192,600,000
2024-09-30	2024	Q3	991,600,000	0	2,145,800,000	0	0	3,137,400,000
2024-06-30	2024	Q2	971,100,000	0	2,125,400,000	0	0	3,096,500,000
2024-03-31	2024	Q1	928,900,000	0	2,088,400,000	0	0	3,017,300,000
2023-12-31	2023	Q4	377,400,000	0	722,900,000	0	0	1,100,300,000
2023-09-30	2023	Q3	363,300,000	0	706,400,000	0	0	1,069,700,000
2023-06-30	2023	Q2	351,700,000	0	696,400,000	0	0	1,048,100,000
2023-03-31	2023	Q1	338,000,000	0	698,000,000	0	0	1,036,000,000
2022-12-31	2022	Q4	333,400,000	0	706,500,000	0	0	1,039,900,000
2022-09-30	2022	Q3	805,600,000	0	1,943,200,000	0	0	2,748,800,000
2022-06-30	2022	Q2	796,300,000	0	1,954,900,000	0	0	2,751,200,000
2022-03-31	2022	Q1	775,900,000	0	1,949,400,000	0	0	2,725,300,000
2021-12-31	2021	Q4	0	192,100,000	0	497,300,000	329,900,000	1,019,300,000
2021-09-30	2021	Q3	0	489,700,000	0	1,330,300,000	836,800,000	2,656,800,000
2021-06-30	2021	Q2	0	476,700,000	0	1,320,700,000	841,000,000	2,638,400,000
2021-03-31	2021	Q1	0	461,300,000	0	1,283,900,000	823,300,000	2,568,500,000

Date	FY	Period	Applications And Commerce	Business Applications	Core Platform	Domains	Hosting and Presence	Row total
2020-12-31	2020	Q4	0	162,900,000	0	402,200,000	308,800,000	873,900,000
2020-09-30	2020	Q3	0	413,600,000	0	1,214,800,000	787,300,000	2,415,700,000
2020-06-30	2020	Q2	0	392,900,000	0	1,191,900,000	771,700,000	2,356,500,000
2020-03-31	2020	Q1	0	376,900,000	0	1,166,600,000	747,900,000	2,291,400,000
2019-12-31	2019	Q4	0	135,300,000	0	352,300,000	292,800,000	780,400,000
2019-09-30	2019	Q3	0	103,300,000	0	276,900,000	212,800,000	593,000,000
2019-06-30	2019	Q2	0	171,600,000	0	486,000,000	354,500,000	1,012,100,000
2019-03-31	2019	Q1	0	212,500,000	0	622,100,000	445,700,000	1,280,300,000
2018-12-31	2018	Q4	0	111,500,000	0	314,300,000	270,000,000	695,800,000
2018-09-30	2018	Q3	0	85,500,000	0	259,300,000	195,500,000	540,300,000
2018-06-30	2018	Q2	0	141,800,000	0	456,400,000	324,300,000	922,500,000
2018-03-31	2018	Q1	0	101,700,000	0	291,700,000	239,800,000	633,200,000
2017-12-31	2017	Q4	0	91,800,000	0	281,600,000	228,800,000	602,200,000
2017-09-30	2017	Q3	0	84,800,000	0	271,500,000	225,900,000	582,200,000
2017-06-30	2017	Q2	0	79,600,000	0	263,300,000	214,900,000	557,800,000
2017-03-31	2017	Q1	0	70,600,000	0	240,800,000	178,300,000	489,700,000
2016-12-31	2016	Q4	0	66,700,000	0	242,500,000	176,700,000	485,900,000
2016-09-30	2016	Q3	0	61,400,000	0	236,600,000	174,100,000	472,100,000
2016-06-30	2016	Q2	0	58,900,000	0	229,800,000	167,500,000	456,200,000
2016-03-31	2016	Q1	0	54,400,000	0	218,900,000	160,400,000	433,700,000
2015-12-31	2015	Q4	0	51,800,000	0	218,100,000	155,500,000	425,400,000
2015-09-30	2015	Q3	0	45,300,000	0	215,000,000	150,800,000	411,100,000
2015-06-30	2015	Q2	0	40,500,000	0	208,500,000	145,500,000	394,500,000
2015-03-31	2015	Q1	0	160,600,000	0	967,500,000	585,800,000	1,713,900,000

P1C - Mandatory Dual-Endpoint Annual Diff

FY	Product	annual_fmp_reported_USD	annual_sum_of_quarters_USD	Delta_USD	Status
2026	Applications And Commerce	0	1,152,900,000	1,152,900,000	FAILED
2026	Core Platform	0	2,297,700,000	2,297,700,000	FAILED
2025	Applications And Commerce	1,889,000,000	2,652,400,000	763,400,000	FAILED
2025	Core Platform	3,062,100,000	5,242,900,000	2,180,800,000	FAILED
2024	Applications And Commerce	1,653,000,000	3,332,800,000	1,679,800,000	FAILED
2024	Core Platform	2,920,200,000	7,111,000,000	4,190,800,000	FAILED
2023	Applications And Commerce	1,430,400,000	1,430,400,000	0	PASS
2023	Core Platform	2,823,700,000	2,823,700,000	0	PASS
2022	Applications And Commerce	795,200,000	2,711,200,000	1,916,000,000	FAILED
2022	Core Platform	1,929,100,000	6,554,000,000	4,624,900,000	FAILED
2021	Business Applications	489,500,000	1,619,800,000	1,130,300,000	FAILED
2021	Domains	1,323,200,000	4,432,200,000	3,109,000,000	FAILED
2021	Hosting and Presence	820,700,000	2,831,000,000	2,010,300,000	FAILED
2020	Business Applications	422,400,000	1,346,300,000	923,900,000	FAILED
2020	Domains	1,221,100,000	3,975,500,000	2,754,400,000	FAILED
2020	Hosting and Presence	792,900,000	2,615,700,000	1,822,800,000	FAILED
2019	Business Applications	350,000,000	622,700,000	272,700,000	FAILED
2019	Domains	1,134,900,000	1,737,300,000	602,400,000	FAILED
2019	Hosting and Presence	713,900,000	1,305,800,000	591,900,000	FAILED
2018	Business Applications	224,100,000	440,500,000	216,400,000	FAILED
2018	Domains	686,300,000	1,321,700,000	635,400,000	FAILED

FY	Product	annual_fmp_reported_USD	annual_sum_of_quarters_USD	Delta_USD	Status
2018	Hosting and Presence	483,300,000	1,029,600,000	546,300,000	FAILED
2017	Business Applications	326,800,000	326,800,000	0	PASS
2017	Domains	1,057,200,000	1,057,200,000	0	PASS
2017	Hosting and Presence	847,900,000	847,900,000	0	PASS
2016	Business Applications	241,400,000	241,400,000	0	PASS
2016	Domains	927,800,000	927,800,000	0	PASS
2016	Hosting and Presence	678,700,000	678,700,000	0	PASS
2015	Business Applications	174,500,000	298,200,000	123,700,000	FAILED
2015	Domains	840,800,000	1,609,100,000	768,300,000	FAILED
2015	Hosting and Presence	592,000,000	1,037,600,000	445,600,000	FAILED

P1 conclusion: FMP annual product segmentation ties FY2025 official annual segment revenue, but the FMP quarterly product endpoint is unusable for QF. Examples: Q4 2025 returns zero for both segments; Q2/Q3 2025 and Q1 2026 values do not tie to official quarterly consolidated revenue. Check 0 is therefore PASSED only as an endpoint-integrity/discrepancy-detection check: both FMP endpoints were pulled, the quarterly endpoint was proven unreliable, it is not used downstream, and official SEC/GoDaddy segment tables fully tie and control under the user-authorized primary-source segmentation override.

P-Taxonomy - Product-to-Segment Mapping from Primary Source

FMP product line	Official segment	10-K item / source	Short 10-K quote
Applications And Commerce	Applications and Commerce (A&C)	FY2025 10-K, Business / segment description	"website building products, commerce solutions and third-party email and productivity solutions"
Core Platform	Core Platform (Core)	FY2025 10-K, Business / segment description	"domain registrations and renewals, aftermarket domain sales, domain protection, website hosting products"

P2 - Annual Segment Revenue and Segment EBITDA from Official 10-K

GoDaddy does not disclose segment operating income, cost of revenue, or operating expenses by segment. The official reportable-segment profitability metric is Segment EBITDA; segment operating income is unavailable from primary sources.

FY	A&C revenue	A&C other segment items	A&C Segment EBITDA	A&C EBITDA margin	Core revenue	Core other segment items	Core Segment EBITDA	Core EBITDA margin	Total revenue	Total Segment EBITDA	Consolidated operating income
2025	1,889.0	-1,032.1	856.9	45.4%	3,062.1	-2,051.8	1,010.3	33.0%	4,951.1	1,867.2	1,127.3
2024	1,653.0	-913.7	739.3	44.7%	2,920.2	-1,988.5	931.7	31.9%	4,573.2	1,671.0	893.5
2023	1,430.4	-836.2	594.2	41.5%	2,823.7	-2,007.3	816.4	28.9%	4,254.1	1,410.6	547.4

Annual tie-out: FY2025 A&C 1,889.0 + Core 3,062.1 = total revenue 4,951.1. Total Segment EBITDA 1,867.2 less unallocated corporate overhead, D&A, equity compensation, interest, restructuring/other and tax items reconciles in the 10-K to net income 875.0.

P3 - Consolidated Statements and FMP-vs-Official Tie-Outs

Period	Official revenue	FMP revenue	Delta	Official operating income	FMP operating income	Delta	Official net income	FMP net income	Delta	Official OCF	FMP OCF	Delta
2025 Q2	1,217.6	1,217.6	0.0	266.3	266.3	0.0	199.9	199.9	0.0	379.9	379.9	0.0
2025 Q3	1,265.3	1,265.3	0.0	296.7	302.2	5.5	210.5	210.5	0.0	444.2	444.2	0.0
2025 Q4	1,273.9	1,273.9	0.0	317.0	317.0	0.0	245.1	245.1	0.0	370.6	370.6	0.0
2026 Q1	1,266.9	1,266.9	0.0	310.5	312.7	2.2	214.6	214.6	0.0	471.5	471.5	0.0

Operating-income discrepancy log: FMP differs from official operating income in Q3 2025 (+5.5mm) and Q1 2026 (+2.2mm). Official SEC/8-K numbers are controlling for P4.

P4 - TTM Construction, Ending 2026-03-31

Period	Revenue	A&C revenue	Core revenue	Operating income	Net income	OCF	FCF	Segment EBITDA A&C	Segment EBITDA Core	NEBITDA	Source
2025 Q2	1,217.6	463.9	753.7	266.3	199.9	379.9	391.5	205.8	246.1	381.7	Q2 2025 8-K Ex. 99.1 + 10-Q
2025 Q3	1,265.3	481.0	784.3	296.7	210.5	444.2	440.5	219.9	258.5	408.6	Q3 2025 8-K Ex. 99.1 + 10-Q
2025 Q4	1,273.9	497.7	776.2	317.0	245.1	370.6	370.3	234.3	270.4	431.2	Q4/FY2025 8-K Ex. 99.1 + 10-K
2026 Q1	1,266.9	498.2	768.7	310.5	214.6	471.5	473.6	225.2	253.5	413.5	Q1 2026 8-K Ex. 99.1 + 10-Q
TTM	5,023.7	1,940.8	3,082.9	1,190.5	870.1	1,666.2	1,675.9	885.2	1,028.5	1,635.0	Arithmetic sum of four official periods

TTM segment revenue tie: A&C 1,940.8 + Core 3,082.9 = consolidated revenue 5,023.7. TTM+5 calendar-year horizon ends 2031-03-31.

P5 - Reconciliation Checklist

Check	Description	Status	Evidence
0	Mandatory FMP quarterly-vs-annual product endpoint diff	PASSED	Endpoint-integrity/discrepancy-detection check only: both endpoints were pulled; FMP quarterly endpoint does not tie, including Q4 2025 zero revenue and impossible mixed/cumulative rows; endpoint is proven unreliable and excluded downstream; official SEC/GoDaddy segment tables fully tie and control under the user-authorized primary-source replacement.
1	FMP annual product segmentation vs FY2025 official annual segment revenue	PASSED	A&C 1,889.0 and Core 3,062.1 tie to FY2025 10-K and Q4/FY 2025 release.
2	Official annual segment revenue sums to consolidated revenue	PASSED	FY2025 A&C + Core = 4,951.1; similarly ties for 2024 and 2023.
3	Primary-source product-to-segment mapping present	PASSED	Both active FMP product lines have 10-K segment-description quotes.
4	TTM official segment revenue sums to consolidated revenue	PASSED	1,940.8 + 3,082.9 = 5,023.7.
5	TTM official consolidated revenue/net income/OCF sourced from four periods	PASSED	Q2 2025, Q3 2025, Q4 2025 and Q1 2026 official values are cited and summed.
6	Cash flow, balance sheet, share count, and liquidity populated	PASSED	P6 includes latest quarter balance sheet and TTM cash-flow/share-count data.
7	Units/currency/fiscal-calendar convention checked	PASSED	All official statement tables are USD millions except shares in thousands; fiscal year ends Dec. 31.

Analyst flag: This is a user-authorized override of the strict domestic FMP Check 0 gate, not a claim that FMP quarterly segmentation is valid.

RECONCILIATION: 8/8 checks PASSED - USER-AUTHORIZED PRIMARY-SOURCE SEGMENTATION OVERRIDE APPLIED.

P6 - Cash Flow, Balance Sheet, Share Count, and Liquidity Data

Metric	Value	Source / note
TTM operating cash flow	1,666.2	Official 8-K releases, Q2 2025 through Q1 2026

Metric	Value	Source / note
TTM free cash flow	1,675.9	Official 8-K releases; do not substitute FMP FCF where definition differs
Q1 2026 cash and cash equivalents	1,261.7	FMP balance sheet pulled live; agrees with Q1 2026 filing scale
Q1 2026 total debt	3,848.1	FMP balance sheet pulled live
Q1 2026 net debt	2,586.4	FMP balance sheet pulled live
Q1 2026 deferred revenue	2,486.5	FMP balance sheet pulled live
Q1 2026 diluted weighted-average shares	134.3mm	FMP income statement; same 134,289 thousand as Q1 2026 10-Q
FY2025 diluted weighted-average shares	136.2mm	FMP annual income statement; FY2025 10-K table shows 140,621 thousand
Q1 2026 shares repurchased	280.5	FMP cash-flow statement
TTM NEBITDA	1,635.0	Official non-GAAP tables in 8-K releases

Discrepancy Log

Area	FMP value	Official / controlling value	Delta / issue	Disposition
Product segmentation Q4 2025 quarter endpoint	A&C 0; Core 0	A&C 497.7; Core 776.2	Endpoint returns zero despite official revenue	Use official; FMP invalid; Check 0 PASSED only under user-authorized primary-source override
Product segmentation FY2025 sum of FMP quarters	A&C 2,652.4; Core 5,242.9	Annual endpoint and official: A&C 1,889.0; Core 3,062.1	Quarter endpoint appears mixed/cumulative and unusable	Use annual endpoint for FY, official for TTM; FMP invalid; Check 0 PASSED only under user-authorized primary-source override
Operating income Q3 2025	302.2	296.7	+5.5	Use official
Operating income Q1 2026	312.7	310.5	+2.2	Use official
Free cash flow Q1 2026	466.9	473.6	-6.7	Use official release definition

Raw File Inventory

- `GDDY_2023_10k_fmp.json` (394,899 bytes)
- `GDDY_2025_10k_fmp.json` (1,082,639 bytes)
- `GDDY_balance_sheet_quarter.json` (17,583 bytes)
- `GDDY_cash_flow_annual.json` (10,624 bytes)
- `GDDY_cash_flow_quarter.json` (20,739 bytes)
- `GDDY_enterprise_values_annual.json` (1,683 bytes)
- `GDDY_FY2025_10K.html` (2,697,115 bytes)
- `GDDY_income_statement_annual.json` (8,547 bytes)
- `GDDY_income_statement_quarter.json` (16,924 bytes)
- `GDDY_key_metrics_annual.json` (12,114 bytes)
- `GDDY_Q1_2025_10Q.html` (1,679,343 bytes)
- `GDDY_Q1_2025_8K_ex991.html` (271,947 bytes)
- `GDDY_Q1_2025_8K_index.json` (2,012 bytes)
- `GDDY_Q1_2026_10Q.html` (1,539,045 bytes)
- `GDDY_Q1_2026_8K_ex991.html` (250,887 bytes)
- `GDDY_Q2_2025_10Q.html` (1,971,730 bytes)

- GDDY_Q2_2025_8K_ex991.html (336,532 bytes)
- GDDY_Q2_2025_8K_index.json (1,907 bytes)
- GDDY_Q3_2025_10Q.html (1,978,434 bytes)
- GDDY_Q3_2025_8K_ex991.html (325,619 bytes)
- GDDY_Q3_2025_8K_index.json (1,907 bytes)
- GDDY_Q4_2025_8K_ex991.html (339,870 bytes)
- GDDY_Q4_2025_8K_index.json (1,903 bytes)
- GDDY_revenue_product_segmentation_annual.json (2,900 bytes)
- GDDY_revenue_product_segmentation_quarter.json (11,778 bytes)
- sec_submissions_CIK1609711.json (163,348 bytes)

Appendix QFR - Quantitative Foundation Review

GoDaddy Inc. (GDDY) - Quantitative Foundation Review

PATH_RECEIVED: C:\Users\Admin\OneDrive\GPT\ER 2.0\GoDaddy\quant_foundation.md

Reviewer: Sub-Agent QFR. Date: 2026-05-09. Scope: independent live FMP re-pulls plus live official SEC/GoDaddy filing and earnings-release checks. Fiscal year ends December 31. TTM anchor reviewed: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31.

Source URLs / endpoints checked live

- FMP stable revenue-product-segmentation, GDDY, period=annual.
- FMP stable revenue-product-segmentation, GDDY, period=quarter.
- FMP stable income-statement, cash-flow-statement, and balance-sheet-statement, GDDY, period=quarter.
- FY2025 Form 10-K: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000010/gddy-20251231.htm
- Q2 2025 8-K Ex. 99.1: https://www.sec.gov/Archives/edgar/data/1609711/000160971125000151/gddyex991-20250630xq2earni.htm
- Q3 2025 8-K Ex. 99.1: https://www.sec.gov/Archives/edgar/data/1609711/000160971125000206/gddyex991-20250930xq3earni.htm
- Q4/FY2025 8-K Ex. 99.1: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000008/gddyex991x20251231xq4earni.htm
- Q1 2026 8-K Ex. 99.1: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000035/gddyex991-20260331xq1earni.htm
- Q1 2026 Form 10-Q: https://www.sec.gov/Archives/edgar/data/1609711/000160971126000037/gddy-20260331.htm
- SEC companyfacts CIK0001609711: https://data.sec.gov/api/xbrl/companyfacts/CIK0001609711.json

Per-check review table

Check	Result	Independent review finding	Dollar gap / disposition
A - FMP annual endpoint	PASS	Live FMP annual segmentation re-pull returned FY2025 A&C 1,889.0mm and Core 3,062.1mm, matching QF and official FY2025 10-K / Q4 release annual segment revenue.	0.0mm on FY2025 A&C/Core versus official.
B - FMP quarterly endpoint	PASS	Live FMP quarterly segmentation re-pull confirms QF's disclosure that the endpoint is broken and unusable for TTM: Q4 2025 returns A&C 0.0 and Core 0.0; Q1 2026 returns A&C 1,152.9 and Core 2,297.7 versus official A&C 498.2 and Core 768.7.	Max reviewed TTM-period FMP-quarter total gap: 2,183.7mm in Q1 2026; official override used and disclosed.
C - Latest quarter official tie-out	PASS	Q1 2026 8-K / 10-Q tie to QF: revenue 1,266.9mm, A&C 498.2mm, Core 768.7mm, operating income 310.5mm, net income 214.6mm, OCF 471.5mm, FCF 473.6mm, diluted shares 134.289mm.	0.0mm against QF for official values reviewed.
D - Annual filing / segment extraction	PASS	FY2025 10-K tables tie: A&C revenue 1,889.0mm, A&C Segment EBITDA 856.9mm; Core revenue 3,062.1mm, Core Segment EBITDA 1,010.3mm; total revenue 4,951.1mm; total Segment EBITDA 1,867.2mm; operating income 1,127.3mm; net income 875.0mm.	0.0mm segment revenue / Segment EBITDA gap.

Check	Result	Independent review finding	Dollar gap / disposition
E - TTM construction	PASS	Official quarterly 8-K rows recompute exactly: A&C 463.9 + 481.0 + 497.7 + 498.2 = 1,940.8mm; Core 753.7 + 784.3 + 776.2 + 768.7 = 3,082.9mm; total revenue 5,023.7mm.	0.0mm segment-to-revenue gap; labels and TTM anchor are correct.
F - Consolidated statement tie-outs	PASS	Q2 2025 through Q1 2026 official releases recompute operating income 1,190.5mm, net income 870.1mm, OCF 1,666.2mm, FCF 1,675.9mm. Q1 2026 SEC companyfacts tie cash/restricted cash 1,261.7mm, current contract liability 2,486.5mm, current debt 15.1mm, noncurrent debt 3,762.5mm.	0.0mm for official TTM values; FMP OI mismatch of 5.5mm in Q3 2025 and 2.2mm in Q1 2026 is disclosed and official controls.
G - Product / segment provenance	PASS	Segment taxonomy is complete for the two active official/FMP lines: Applications and Commerce and Core Platform. 10-K text supports A&C as software, website-building, commerce, and productivity offerings; Core as domain registrations/renewals, aftermarket domains, domain protection, hosting, security, and non-software products.	2 of 2 active segment/product lines sourced to primary filing.
H - Final gate integrity	PASS	QF is well-formed, includes P0-P6, explicitly preserves the failed FMP quarterly endpoint and discrepancy log, and applies the user-authorized domestic primary-source segmentation override without hiding the FMP failure.	Gate clears because official replacement values independently reconcile.

Arithmetic review

Official TTM segment revenue: 1,940.8mm + 3,082.9mm = 5,023.7mm. Official TTM Segment EBITDA: 885.2mm + 1,028.5mm = 1,913.7mm. Official TTM NEBITDA: 381.7 + 408.6 + 431.2 + 413.5 = 1,635.0mm. Official TTM FCF: 391.5 + 440.5 + 370.3 + 473.6 = 1,675.9mm. All match QF.

FMP discrepancy review

The largest endpoint-integrity gap preserved in QF's annual-vs-broken-quarterly table is 4,624.9mm for FY2022 Core Platform. The largest reviewed TTM-period FMP-quarterly segmentation total gap versus official is 2,183.7mm in Q1 2026. These gaps are not ignored: QF discloses them, excludes the broken FMP quarterly endpoint from downstream TTM/modeling, and replaces it with official SEC/GoDaddy quarterly segment tables under the principal's explicit override.

Reviewer conclusion

QF file exists, is non-empty, contains P0-P6 plus discrepancy log, and reports `RECONCILIATION: 8/8 checks PASSED - USER-AUTHORIZED PRIMARY-SOURCE SEGMENTATION OVERRIDE APPLIED.` I do not require the broken FMP quarterly endpoint to tie because the failure is fully disclosed and the official primary-source replacement independently reconciles.

QUANT FOUNDATION VERIFIED - CLEARED FOR WAVE 1